FBIS DAILY REPORT

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VENEZUELAN PRESIDENT ON CONTADORA GROUP'S WORK

PA170412 Caracas Domestic Service in Spanish 2300 GMT 16 May 83

[News Conference held by Venezuelan President Luis Herrera Campins at Miraflores Presidential Palace in Caracas -- live]

[Excerpt] [Question, journalist's name indistinct] Mr President, what is your opinion of the prospects for the new conference of foreign ministers representing nine countries at the end of this month?

[Herrera Campins] Which conference do you mean?

[Question] The one being held at the end of this month, on 28 May.

[Herrera Campins] But what conference?

[Question] The foreign ministers of the Contadora Group.

[Herrera Campins] Ah, the Contadora Group. As you all know, the Contadora Group has been working intensely to try to find a formula for peace, coexistence and detente in Central America, trying to see that the Latin American element is fundamental in reaching those goals and objectives, which are not the goals of the countries in that area alone but of all countries on the continent.

We have been examining specific situations, such as at the recent meeting in Panama, where we examined the case of Costa Rica's request in regard to friction and problems on its border with Nicaragua. As you saw in today's newspapers, some conclusions have been reached which could be interesting and could lead to new elements or factors in the overall consideration of the situation.

Each of the Contadora Group countries will have a delegation of three persons in Panama next Saturday to go to the border area between Costa Rica and Nicaragua to observe the situation. The groups will be composed of two civilians and one military officer. Enrique Aristeguieta Gramcko, ambassador at the service of the Foreign Ministry, will be leading our delegation. He will be accompanied by Humberto Maya Negretti, from the National Council of Security and Defense, and by General Ibrahim Castellanos Monagas.

The meeting at the end of the month will involve discussion of the whole Contadora problem, the overall Contadora problem. This will advance progressively -- perhaps not with the speed that one might desire, because in international affairs things do not attain great speed at the outset -- but as quickly as the most important situations can be dealt with. As you know, some of the situations have been discussed by the Contadora Group and others are before the United Nations, but actions have been sort of suspended. Others still are before the OAS.

I continue to believe, without detracting from the actions of existing multilateral international organizations, that Contadora has been a good path for all concerned.

PANAMA'S AMADO OUTLINES OBSERVERS' MISSION

PA190058 Panama City Circuito RPC Television in Spanish 1730 GMT 18 May 83

[Interview with Panamanian Foreign Minister Juan Jose Amado on 18 May in Panama City; questioners not identified -- recorded]

[Text] [Question] Mr Minister, when will Panama send its observers to Costa Rica?

[Amado] In our last meeting we agreed to meet here in Panama to plan the work the observers will carry out in Costa Rica and in Nicaragua. We expect the observers from Colombia, Venezuela, and Mexico to arrive here tomorrow for a meeting to discuss a work plan. They should be leaving for Costa Rica by Friday.

[Question] What will Panamanian observers' mission be?

[Amado] Basically, they will work on writing a report which will be submitted to the foreign ministers. We will use this report to establish some sort of strategy, such as having permanent observers in the area to prevent the repetition of incidents that cause the tensions. However, as I have said before, their main objective is to submit a full report on the situation that has developed in the past months.

[Question] Mr Minister, what is your opinion of the U.S. House of Representatives' asking President Reagan to consider the Contadora Group's recommendations for peace in Central America?

[Amado] I think that the response of many countries regarding the Contadora Group's efforts is reflected in the international desire for a peace mechanism for the area. That is what is significant. We must think about the international community attitude. It counts in the efforts we are making to have a permanent peace as soon as possible.

[Question] How many countries are supporting the Contadora Group's peace efforts?

[Amado] Countries from Europe and South America have expressed their support of the Contadora Group. Even countries from Central America have told us through various sources that they are in favor of the efforts we are making.

Members of Group Named

PA220124 Panama City Domestic Service in Spanish 2032 GMT 21 May 83

[Text] Panamanian Foreign Minister Juan Jose Amado III has confirmed the participation of the five Central American foreign ministers in the upcoming meeting of the Contadora Group on 28 May.

Amado said he understands that within the framework established by each Central American nation, the definition and implementation of their foreign policy respond to a logical and normal action within the sovereign right of each state. However, he noted that these actions must be carried out with an enthusiastic and positive attitude that reflects flexible and tolerant positions aimed at overcoming the present crisis and achieving the main goal: peaceful coexistence in the Central American region.

Intransigence, arrogance, and radicalization are negative elements that hinder the efforts for peace, Amado noted. After stressing that proximity has allowed us to know our Central American brothers thoroughly, he said that the great desire for permanent peace and work moves every citizen in these countries. He added that Panama, within the parameters of its foreign policy, maintains its interest and does not elude its responsibility to help in the development of economic, political, and social activities of the Central American peoples.

He remarked that this development must not be carried out based on a foreign model but on goals and objectives freely chosen by each of the Central American nations. The Panamanian minister reiterated that the last thing we want is for these nations to become slaves of improvised, unjust, or imported sociopolitical systems which are foreign to the situation of these people.

After pointing to the inequalities affecting the region, Amado described them as the essence and source of tensions and conflicts. He stressed the Panamanian stand in this situation and stated that our desire to help is more determined and invariable because of our friendship with Central America. This friendship, made up of historical and humanistic ties and a respect and desire for peace, freedom, development, and the people's socioeconomic rights, must be recovered [recuperada].

Amado denounced the persistence of a world contamination [contaminacion mundial] that is reflected in Central America under various guises in efforts to overcome political and social problems, but which at the same time further aggravates the already bad economic situation in the area.

He emphasized that these positions result in new restlessness and new social problems which invariably lead to political tension and violence. The foreign minister stated that it would be a source of great satisfaction to be able to achieve the development of the Central American nations based on the efforts of their own citizens.

He confirmed that the commission of Contadora Group observers that will gather information on opinions and situations existing on the border between Costa Rica and Nicaragua will leave for San Jose on Sunday. He added that a group of coordinators from Panama, Mexico, Colombia, and Venezuela will visit the various Central American capitals to prepare for the summit to be held in Panama on 28 May.

It was officially reported that the observers commission members will leave Panama on Sunday and will begin work immediately. The members of the observers commission are: Enrique Vargas Ramirez and Aurelio Caicedo Ayerbe of Colombia, who will be accompanied by Brigadier General Jesus Arias Cabrales; Sergio Gonzalez Galvez and Ernesto Madero Vasquez of Mexico; Enrique Aristiguieta Gramcko and Humberto Maya Negretti of Venezuela, who will be accompanied by General Ivan Castellanos; and Juan Manuel Castulovich and Leonardo Kam of Panama, who will be accompanied by Captain Daniel Delgado.

At the same time, the following persons will go to Central America to arrange the final details of the Contadora meeting: Colombian Deputy Foreign Minister Colonel Julio Londono Paredes, Mexican Foreign Under Secretary Ricardo Valero; Panamanian Acting Deputy Foreign Minister Oscar Vargas Velardo, and Venezuelan Foreign Ministry Adviser Leopoldo Castillo. This delegation will probably arrive in San Jose early on Monday from Panama on a short mission that will take them to all the Central American capitals.

In commenting on the busy task to be started by the Panamanian, Mexican, Colombian, and Venezuelan envoys, Amado noted that their immediate actions, as well as the summit of foreign ministers scheduled for late May, reiterated the interest of the Contadora Group members in the search for peace in the region.

Observers To Visit Nicaragua

PA240054 Paris AFP in Spanish 2328 GMT 23 May 83

[Text] San Jose, 23 May (AFP) -- The observers mission of the Contadora Group, composed of Mexico, Venezuela, Colombia, and Panama, will travel Tuesday to Costa Rica's northern border with Nicaragua, Colonel Eduardo Mora Alfaro, Costa Rican coordinator of the mission, has announced.

The eight observers, two for each nation, arrived in the country yesterday in response to an invitation from the Costa Rican Government, which asked the Contadora Group to send the mission to its border with Nicaragua. Costa Rica wants the observers to certify the country's neutrality in the face of increasing activity by armed opposition groups in the border region, where units headed by former Nicaraguan Deputy Defense Minister Eden Pastora are active.

The Costa Rican Government also wants to obtain recommendations that will serve to protect its sovereignty which, according to government sources, has been threatened by Nicaraguan incursions across the border.

The Contadora Group, which was created last January on the Panamanian island of the same name, is acting as mediator in the serious Central American crisis.

On Tuesday a part of the mission will travel to Costa Rica's northern border region, where it will remain for 2 days, visiting various places and Civil Guard bases. Another part of the group will travel to Managua, Colonel Mora Alfaro stated, on a trip which had not been previously announced. The observers will remain in Nicaragua for 2 days, and presumably might also travel to Nicaragua's border with Costa Rica.

After this phase of their mission is concluded, the group will return to the Panamanian capital where they will draft a report for the foreign ministers of the Contadora Group, who will meet with their Central American colleagues in that city starting on 28 May.

The presence of the observers coincided with the announcement made today by President Luis Alberto Monge calling off a 21-day visit to Europe, which he was scheduled to begin on 3 June. Monge said simply that the month of June will be a "key" element in the development of the Central American situation, which obliged him to remain here.

Observers Arrive in San Jose

PA240252 Havana International Service in Spanish 1600 GMT 23 May 83

[Text] The Contadora Group observers have arrived in San Jose and will visit the Nicaraguan-Costa Rican border area with the intention of gathering information on the situation in that zone. The group is comprised of 12 civilians and 4 military officers from Panama, Colombia, Mexico, and Venezuela -- the Contadora Group countries.

The group will meet today with the Costa Rican Security Council and public security officials, as well as with President Luis Alberto Monge.

The group's inspection will be carried out over a 300-km area on the Nicaraguan border. Once their work is finished, the group will prepare a report for the Contadora Group foreign ministers, who are scheduled to meet in Panama City from 28-30 May.

CONTADORA OFFICIALS REPORTEDLY GO TO CARACAS

PA240118 Panama City ACAN in Spanish 2350 GMT 23 May 83

[Text] San Salvador, 23 May (ACAN-EFE) -- The deputy foreign ministers of the "Contadora Group" composed of Mexico, Colombia, Venezuela, and Panama have postponed a trip they had planned to make today to El Salvador, diplomatic sources have told ACAN EFE.

The officials had advised their respective embassies in this country that they would be arriving at 1400 (2000 GMT), but subsequently it was learned that they had left Panama for Caracas, Venezuela.

The sources said they did not know if the deputy foreign ministers of the "Contadora Group" would come to El Salvador in the coming days prior to the meeting of the Contadora Group foreign ministers with the foreign ministers of El Salvador, Costa Rica, Nicaragua, Honduras, and Guatemala. The meeting of the "Contadora Group" with the Central American foreign ministers is scheduled for the end of this month in Panama.

Recently the foreign ministers of El Salvador, Guatemala, Honduras, and Costa Rica agreed in this capital to carry joint proposals to the meeting in Panama, and submitted several observations on the agenda proposed by the organizers.

JAMAICA, ECUADOR, VENEZUELA JOIN OPANAL COUNCIL

FL191530 Bridgetown CANA in English 1429 GMT 19 May 83

[Text] Kingston, Jamaica, May 19, CANA -- Jamaica was one of three countries elected to the council of the Agency for the Prohibition of Nuclear Weapons in Latin America (OPANAL) during its eighth regular session here yesterday.

The other countries elected were Ecuador and Venezuela. They now join Mexico and Peru to make up the five countries of the council. Jamaica, Ecuador and Venezuela will replace Colombia, Uruguay and Honduras, whose term of office ends in September.

Under the conditions of the treaty, the council is required to be composed of five members of the agency. The members of the council will serve for a four year term. The council's function is to ensure the proper operation of the control system, which includes verifying that services and facilities intended for peaceful uses of nuclear energy are not used in the testing or manufacture of nuclear weapons.

ANDEAN COURT OF JUSTICE ESTABLISHED 20 MAY

PY201855 Paris AFP in Spanish 0322 GMT 20 May 83

[Excerpts] Lima, 19 May (AFP) -- The institutional structure of the Andean Pact was completed here today when Venezuela delivered the instrument ratifying the treaty which creates the Andean Court of Justice [Tribunal Andino de Justicia -- TAJ].

The ceremony was held in the Cartagena Accord headquarters in the presence of Sergio Sucre, Venezuelan representative for this occasion; Gonzalo de la Puente, president of the Andean Group Commission; and Edgard Moncayo, coordinator of the Andean Pact Technical Council.

Sucre said: The Venezuelan ratification of the treaty which creates the TAJ is a demonstration of my country's unyielding conviction and will for integration. He added that this court has an important tasks in the future of the Cartagena Accord and that its creation is the most advanced step in integration law known in Latin America.

Moncayo pointed out that with this ratification the Andean Group has full juridical autonomy in the international community and completes its institutional structure. The TAJ has jurisdiction to resolve controversies among the member countries regarding the fulfillment of the decisions made by the Andean Group Commission or the resolutions of the Andean Pact Technical Council.

The TAJ also interprets subregional regulations and decides on noncompliance of decisions without admitting another court on matters specifically related to the Andean Pact. However, the TAJ does not have jurisdiction over matters not related to the Cartegena Accord.

One of the aspects which more seriously affects the Andean Pact is noncompliance, by one or more countries, of practically all the 179 decisions approved so far by the Andean Group Commission. However -- disregarding the existence of the TAJ -- spokesmen of some countries advocate the review of some decisions because they consider them inapplicable.

After the Venezuelan ratification, representatives of the five Andean countries will be summoned to appoint TAJ members. It is believed that this process will take 3 months and that the TAJ, which will have its headquarters in Quito, will start operating before the end of 1983.

BIGNONE CREATES EMERGENCY FLOOD COMMAND

PY210145 Buenos Aires TELAM in Spanish 2202 GMT 20 May 83

[Text] Ceibas (Entre Rios), 20 May (TELAM) -- The president of the nation, Major General Reynaldo Antonio Bignone, today announced the establishment of an Emergency Area Command to oversee all flood-stricken areas which will be under the II Corps commander, Major General Eduardo Alfredo Esposito.

UNAUTHORIZED PROTEST MARCH ENDS PEACEFULLY

PY210240 Buenos Aires DYN in Spanish 0040 GMT 21 May 83

[Excerpt] Buenos Aires, 20 May (DYN) -- About 20,000 people, led by Nobel Peace prize laureate Adolfo Perez Esquivel, marched today for 25 blocks in repudiation of the official reports on the fight against subversion. This is the largest rally human rights groups have managed to stage since the military regime took over in 1976.

No incidents developed during the rally, which started at 1746 in front of the Luna Park stadium, at the intersection of Corrientes and Bouchard Streets, and finished a little after 2100 outside the Congress Building, where several speakers decried the government, especially Perez Esquivel, who also demanded that the church adopt a clear position on the problem of the disappeared.

Significant disagreements arose regarding the number of people present at the rally. According to the police there were less than 7,500 people at Congress Square at the peak of the rally when Perez Esquivel spoke; the organizers announced through loudspeakers mounted in the area that the number of people in attendance exceeded 40,000; and journalists' estimates ran up to 20,000.

PEREZ ESQUIVEL ENDS HUNGER STRIKE 22 MAY

PY231330 Paris AFP in Spanish 0141 GMT 23 May 83

[Excerpt] Buenos Aires, 22 May (AFP) -- 1980 Nobel Peace Prize winner Adolfo Perez Esquivel and his supporters tonight ended the hunger strike they began 13 days ago over the issue of missing people in Argentina.

Perez Esquivel stated that the hunger strike was an action aimed at cleansing sins, stirring the minds and hearts of those people who have hurt the country so much and protesting the violation of the rights of life, bread and freedom given by God to our people.

ENVOY DENIES STALEMATE IN BEAGLE NEGOTIATIONS

FY231445 Buenos Aires CLARIN in Spanish 22 May 83 p 8

[Excerpts] General Ricardo Ercheverry Boneo, retired, the head of the Argentine delegation to the pope's mediation in the Beagle dispute, said yesterday that negotiations for a peaceful settlement continue.

Etcheverry Boneo said that "the mediation does not depend on an Argentine answer to the pope's proposal" because "the Argentine Government has already submitted its reply."

Talking to Radio del Plata reporters in Rome, Etcheverry Boneo "categorically" denied that the mediation has been interrupted because of Chinle's or Argentina's failure to submit a document to the Holy See. The mediation has been by no means interrupted," he added.

Etcheverry Boneo said that he learned about the reports on the alleged presence of a special envoy of Pope John Paul II in Argentina "through press reports received from Argentina."

"I understand that the Holy See has denied categorically those reports. It could not have been otherwise because the Vatican is the place where negotiations have been carried out," he concluded.

CGT-AZOPARDO WON'T ATTEND LABOR MINISTRY MEETING

PY232055 Buenos Aires TELAM in Spanish 1535 GMT 23 May 83

[Text] Buenos Aires, 23 May (TELAM) -- The CGT-Azopardo confirmed today that it will not attend the meeting called by the Labor Ministry this afternoon to discuss the Argentine participation in the annual ILO meeting to be held next month in Geneva, Switzerland.

The decision was made at noon today after a meeting of the executive board of this labor organization at the headquarters of the Class Workers Union on Balvastro Street and La Plata Avenue.

SOVIET OFFICIALS ARRIVE FOR TALKS ON ENERGY

PY232050 Buenos Aires Domestic Service in Spanish 1600 GMT 23 May 83

[Excerpt] The Soviet deputy ministers of foreign trade and of power machine building have arrived in Argentina.

The two deputy ministers are heading a delegation that will carry out negotiations with the energy secretariat.

HAVANA REPORTS FORMATION OF EXILE COMMITTEE

PA230226 Havana International Service in Spanish 0000 GMT 23 May 83

[Text] The Chilean and Paraguayan exiles who reside in Argentina have formed a coordinating committee to prepare for a return to their respective countries at the end of this year.

We want to return to our country under the guarantees of the Universal Declaration on Human Rights, and we are preparing for a massive return regardless of the physical consequences, the members of the coordinating committee said in a letter addressed to UN Secretary General Javier Perez de Cuellar.

The letter is signed by Paraguayans Luis Alfonso Roseq, Ernest Saguier, and Waldino Lobera, and By Chileans Sergio Vitar, Jaime Castillo, and Claudio Ulpe.

SILES ZUAZO TO SEEK ARCE GOMEZ' EXTRADITION

PY231405 La Paz Cadena Panamericana in Spanish 1130 GMT 23 May 83

[Text] President Hernan Siles Zuazo has said that Bolivia will ask the Argentine Government for the extradition of Colonel Luis Arce Gomez, who faces charges for several crimes he committed while interior minister.

President Siles Zuazo made the announcement in Cochabamba, in the locality of Aiquile, where he presided over the ceremony at which the construction of the railway joining Aiquile and Santa Cruz was resumed over the weekend.

Although we do not want to interfere with the existing U.S. request for the extradition of Arce Gomez, President Siles went on, the Interior Ministry is taking the necessary steps to bring Arce Gomez before the Bolivian courts. The Argentine Government will decide whether to grant the U.S. or Bolivian request, President Siles explained.

PAZ ZAMORA SEVERELY CRITICIZES GOVERNMENT

PY212040 La Paz Cadena Panamericana in Spanish 1130 GMT 21 May 83

[Text] During the course of a chat with reporters, Vice President Jaime Paz Zamora said that the country's political situation is delicate. He also maintained that Dr Hernan Siles Zuazo's government does not know what it wants, nor does it know where it is going.

Paz Zamora made these statements at the conclusion of a seminar on housing policies.

After quite some time, Paz Zamora has once again severely criticized the current government, of which he is a member, calling it a monocolored and a monopolitical government.

Later on, he recalled that during the last elections the people voted for a frontist government with ample participation, and stated that the MNRI's [Nationalist Movement of the Revolutionary Left] problems are causing the country much harm.

REGIME RENEGOTIATES DEBT OWED TO FOREIGN BANKS

PY212215 La Paz Radio Illimani Network in Spanish 1100 GMT 21 May 83

[Text] The Bolivian Government has renegotiated the country's foreign debt with private international banks, thus bringing financial relief for the next 8 years. The debt was contracted in the mid 1970's by (Carlos Calvo Galindo), finance minister during the Banzer Suarez dictatorship. (Calvo Galindo) negotiated the debt on harsh terms.

An official delegation headed by Finance Minister Flavio Machicado has held the second round of talks with international private bankers in New York for the purpose of rescheduling the repayment of the $680 million debt.

According to reports released during a press conference, the renegotiation -- the second of its kind -- has two specific purposes: First, to design a program for repayment of the interest that Bolivia owes to private banks; Second, to renegotiate the repayment of the principal.

In this regard, Finance Minister Flavio Machicado reported that an initial agreement has been reached on a program for paying of interest falling due in 1983 in five installments. Under the agreement, 55 percent of the interest will be paid in the first 3 installments, while the remaining 45 percent will be paid in the 2 remaining installments. The finance minister justified this payment scheme on the grounds that Bolivia's liquidity and financial situation the first 3 months must be protected. This way, Minister Machicado went on, we will normalize the dalay in the 1983-84 period.

Machicado explained that the renegotiation will allow Bolivia to obtain new financial resources from international sources.

Concerning the amortization of the principal, the minister said that the private banks have granted 4 more years of grace and that the previous repayment program that expired on 6 April 1983 was pratically redesigned. The amortization of the principal will begin in 1988 with the installments and maturity dates to be established during the third round of talks. This renegotiation has affected a debt that was previously renegotiated in 1981 bv a Bolivian delegation sent to the United States by the Garcia Meza dictatorship.

The repayment program covers $430 million, the minister said. He added: In general, the negotiations that have been carried out in New York have been successful because Bolivia has gained substantial financial relief for 1983 and 1984. From 1985 on, there will a specific timetable for repayment of both interest and principal.

Machicado also reported that no specific agreement was arrived at for the remaining $250 million, and that this portion of the debt will be renegotiated at the round scheduled for October 1983.

In conclusion, the finance minister also reported that an agreement has been reached on the basic terms of the position that Bolivia will adopt during the talks to be held prior to the signing of the financial agreements between August and September 1983. The terms of the agreement must be adjusted to suit the national reality, which is currently marked by observance of the law, taking into account that the previously renegotiated documents were produced by a dictatorship, the minister concluded.

SMEAR CAMPAIGN AGAINST BANK BLAMED ON USAID

PY232106 La Paz Radio Illimani Network in Spanish 1700 GMT 23 May 83

[Excerpt] The Bolivian Agricultural Bank employees federation has called false and malicious the charge made by the Cochabamba civic committee that the bank is misusing USAID funds for winter crops in that department.

Federation Executive Secretary (Oscar Duran) said that in an attempt to discredit the Bolivian Agricultural Bank, USAID is using persons and organizations which he termed "useful idiots."

BRIEFS

INTERNATIONAL ORGANIZATION MEMBERSHIP -- Bolivia has officially rejoined the International Parliamentary Union, according to a report issued following the organization's latest meeting in Helsinki, which was attended by a Bolivian delegation formed by Senator Luis Anez and representatives Walter Soriano and Federico Alvarez. [Summary] [La Paz PRESENCIA in Spanish 15 May 83 p 12 PY]

FOREIGN MINISTRY DENIES MAKING FLIGHT REQUEST

PY202355 Brasilia Domestic Service in Spanish 2200 GMT 20 May 83

[Text] Ricardo Carvalho, acting Foreign Ministry spokesman, today said that Itamaraty knows nothing about an alleged request for overflight made to the Panamanian Government through diplomatic channels or by the Aeronautics Ministry on behalf of a Brazilian plane carrying military materiel for El Salvador. The acting spokesman added that the Brazilian Government has not authorized exports of military materiel to El Salvador. Reports to the effect that the Panamanian Government has denied a request for overflight permit for a Brazilian plane reportedly carrying military materiel to El Salvador were published in today's local newspapers. During a recent statement to the Foreign Relations Committee of the Senate, Foreign Minister Saraiva Guerreiro said that Brazil is not exporting arms to any Central American nation.

SURINAMESE PRIME MINISTER ARRIVES ON VISIT

PY240054 Brasilia Domestic Service in Portuguese 2200 GMT 23 May 83

[Text] At 1700 today, President Joao Figueiredo received Surinamese Prime Minister Errol Alibux who was accompanied by Foreign Minister Ramiro Saraiva Guerreiro. President Figueiredo will give a lunch for the Surinamese prime minister at Itamaraty tomorrow at 1215 [1515 GMT]. The Surinamese prime minister arrived today in Brasilia for a 2-day official visit to Brazil. He met with Brazilian Foreign Minister Saraiva Guerreiro for 45 minutes and refused to make statements to the press, but promised to give a press conference tomorrow. Alibux landed at 0930 [1230 GMT] at the Brasilia air base where he was met by Foreign Minister Saraiva Guerreiro.

INTEREST PAYMENTS OF $1 BILLION FALL BEHIND

PY240045 Rio de Janeiro O GLOBO in Portuguese 20 May 83 p 19

[Excerpt] Sao Paulo -- Claudio Haddad, director of the International Department for Investment Guarantees of the Central Bank, yesterday said that the Central Bank has fallen behind on payments amounting to $1 billion to international bankers. This amount corresponds to the interest for only one month of service on the foreign debt which has fallen due. The source did not say which month was due.

CENTRAL BANK 1982 ANNUAL REPORT RELEASED

PY232151 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 May 83 p 33

[Text] The country's gross external debt amounted to $83.29 billion at the end of 1982, including short term commitments and special operations. Foreign reserves fell to $3.99 billion and the payment of $11.36 billion in liquid interest -- after deducting interest earned by foreign reserves placed on the interbank market -- to external creditors increased the current account deficit of the balance of payments to $16.28 billion in 1982, according to the Central Bank's annual report which was released yesterday.

According to the Central Bank, the medium- and long-term external debt closed at $69.65 billion at the end of 1982, which means that it increased by 13.4 percent during the year. The remaining $13.64 billion includes import and export lines of credit and special loans for financing the 1982 balance of payments, operations that have been revealed for the first time and that have an amortization deadline of less than 1 year. The freezing of the amortization of the debts owed to international banks has barely helped Brazil's cash flow this year. The profile of the debt will continue to be unfavorable until 1987, with 62 percent of the commitments accumulated up to December 1982 falling due in the coming 5 years. The average maturity period and the rescheduling of the debt that took place in December 1982 did not suffer significant modifications when compared with the year before. The average debt maturity period has been set at 4.7 years (as against 5 years in December 1981) and 48 percent of the total debt will have to be paid before 1986. The largest payments will have to be made in 1986 and 1987, when 14 percent of the total debt will fall due in each of these 2 years.

According to the Central Bank report, the foreign debt indicators reveal that the growth rate of the foreign debt and of foreign obligations has surpassed that of exports over the last 2 years. The report shows that "in 1982 the servicing of the debt was equivalent to 96.8 percent of export income -- it was equivalent to 65 percent in 1980 -- and it was 4.9 times the balance of foreign reserves in December 1982. The evolution of the indicators reflects the increased cost of international loans, the consequences of recession and a radical change in the policy of international banks." Since the deficit in the services account amounted to $17.05 billion and the trade balance registered a $778-million surplus, the current account deficit was $16.28 billion in 1982 -- a figure 37.8 percent higher than that of the previous year. In the composition of the deficit in the services account, the earnings on borrowed capital account for $13.48 billion which can be broken down into $11.36 billion in liquid interests -- after deducting $1.2 billion in interest earned from foreign reserves, which had been placed in the interbank market -- $565 million in profits and dividends sent abroad, and $1.56 billion in reinvested profits.

Although Central Bank President Carlos Langoni observed in the annual report that, between August and December 1982, Brazil lost "all immediately available liquid resources," the inclusion of export accepted drafts -- even those of dubious liquidity -- as convertible foreign currency, permitted the bank to issue its final position on Brazilian foreign reserves.

Registered [long- and medium-term] and nonregistered [short term] foreign debt position on 31 December 1982:

Breakdown	Million U.S. Dollars
1. registered debt at central bank	69,653.5
2. nonregistered debt	13,635.2
traditional operations	9,375.7
credit lines for oil imports	4,058.5
other credit lines	984.6
Brazilian commercial banks	4,332.6
credits	2,063.9
obligations	6,396.5
special operations	4,259.5
bridge loans from private banks	2,339.4
U.S. Treasury	875.8
Bank for International Settlement	500.0
International Monetary Fund	554.3
3. total (1 plus 2)	83,288.7

PINOCHET MEETS LABOR LEADERS, TO LIFT RADIO BAN

PY232057 Santiago Domestic Service in Spanish 1730 GMT 23 May 83

[Report from Government House by Graciela Contreras]

[Excerpt] Several labor union leaders met with President Augusto Pinochet today and proposed the creation of a civilian-military movement which would support the government. These 17 labor union leaders today participated in a working breakfast with the president. They voiced their satisfaction over the series of meetings which will take place soon between workers and businessmen in order to improve the labor law within its basic framework. This information was relased by Labor and Social Welfare Minister Patricio Mardones.

Labor leader Guillermo Medina indicated that the workers asked the president to withdraw the lawsuits against the leaders of the Chilean Copper Workers Confederation, motivated by the events on 11 May. Medina reported that the president said that he will evaluate the situation but made no promises.

After listening to some of the visiting leaders on the situation of Radio Cooperativa, the president said that he will issue instructions today allowing this radio station to return to its normal programming, that is, allowing it to carry the news.

CANADIAN ENVOY EXPRESSES CONCERN OVER DETENTIONS

PY220140 Paris AFP in Spanish 0006 GMT 21 May 83

[Excerpts] Santiago, 20 May (AFP) -- Canada has expressed to the government headed by General Augusto Pinochet its concern over the massive detentions that followed that day of national protest that opposition sectors staged on 11 May 1983.

Canadian Ambassador to Chile Clayton Bullis explained that, follwoing official instructions from his government, he met with Foreign Ministry Director General Jaime Lagos and expressed the Canadian concern.

On leaving the Foreign Ministry, Bullis said that both the Canadian Government and people are concerned over the fate of the persons who were recently detained and that he was instructed to ask the Chilean Government to give guarantees for the detainees. The ambassador said that his concern was of a humanitarian nature and that it could by no means be regarded as an intervetion, since his government has always been interested in those issues.

Some 15,000 Chilean exiles are currently living in Canada. Asked about a possible international consensus against the regime headed by Pinochet, taking into account the recent demonstrations that were stated in several Chilean consulates in Spain, Bullis declined to make a direct comment. The ambassador remarked that there are many friendly ties between the two countries.

Foreign Ministry Director General Jaime Lagos confirmed that relations with Canada are good, but pointed out that the problem of the detentions has been magnified abroad. I gave assurances to the ambassaodr that the detainees will be treated appropriately, Lagos said.

CUBA'S RODRIGUEZ ON FOREIGN DEBT RENEGOTIATION

PA231516 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 23 May 83

[Text] Bogota -- International bankers are responsible for the Latin American economic crisis because they loaned money on easy terms and are doing a big business in interest. Nevertheless, we are also responsible because we wasted the money. This statement was made in Bogota by Cuban Vice President Carlos Rafael Rodriguez, who participated in the ECLA meeting of economic experts.

The Cuban official, speaking in CARACOL's "Personality of the Week" program, said that Latin America's debt is so large that well-coordinated negotiations are necessary to allow these countries to pay their debts within a specific time frame at low interest rates, while simultaneously having a continuous flow of financial resources so that development is not interrupted.

I think that there is a possibility of agreement on avoiding a financial catastrophe, Mr Carlos Rafael Rodriguez stated. It is illusory to believe that we are going to stop paying now, but a catastrophe will occur if the renegotiation does not take place on adequate terms. The idea is to struggle together to secure this agreement so that our interests, and not the interests of the money lenders, prevail in the renegotiation, the Cuban vice president said.

BETANCUR GIVES 'OPTIMISTIC' ECONOMIC OUTLOOK

PA230458 Paris AFP in Spanish 2357 GMT 22 May 83

[Text] Bogota, 22 May (AFP) -- Colombian Conservative President Belisario Betancur declared tonight in Bogota that "I see a country in motion," and presented an optimistic assessment of the national economic reactivation.

After 9 months of government, Betancur, 60, asked the 20 million Colombians over radio and television to "share my confidence and hope," and reiterated his desire for peace in the country. He admitted that "things have been bad" and explained that "it is as if all the plagues, the seven plagues, had been suddenly unleashed on the country." He noted, however, that the problems cannot be solved from one day to the next, "especially when it is often not actually a Columbian situation, but rather one that extends throughout the whole world."

He estimated that judging from the economy, inflation during 1983 will only reach 20 percent compared to the 26 percent registered last year. "I am not painting a picture of a country of marvels," he said.

Betancur affirmed that the agriculture-livestock sector has been reactivated, noting that "it will again be good business to cultivate, to work the land," and announced that sufficient lines of credit will be made available to the peasants.

He reported that the Colombian automotive industry, which was stagnant in 1981 and 1982, has shown a 220-percent increase in 1983, and indicated that in several cities an urban development plan is underway "with projects that are beginning to be realized."

He announced penalties for those who abuse national savings, stating that the government will pursue its policy of not promoting reactivation through inflation, and promising to halt the inflationary trend. Betancur said that the government's goal is to hold inflation below 20 percent by the end of the year, and asked for the full cooperation of the enterprises.

He stated that 20 Latin American economic experts who met here had designated him their spokesman at the summit that opens next Saturday in Williamsburg, to which he will present their conclusions. "I have accepted because it is an honor for Colombia," Betancur said, indicating that he will not travel to Williamsburg, but will send a letter explaining the situation of the Latin American countries.

He anticipated that the problem of recession could be solved only when the wealthy and poor countries receive the benefit of a stimulated and expanded international trade and a liquid and solvent financial system. "We are in an excellent position to received those benefits because we have known how to save ourselves from the devastating damage that recession has caused in other countries," he stated. He also announced a war on contraband to restore lost markets to Colombian industry, and defended the transfer of many products to the prior licensing system. "We are not going to create problems of supply in essential sectors of industry, but neither are we going to permit foreign exchange to be squandered by a few," he said. He explained that "we will not erect an insurmountable wall of protection," but there will be vigilance to prevent decline in the quality of the products.

Mentioning the monetary problems of Venezuela and Ecuador, Betancur noted that "the international crisis has struck us on all sides," and said that in many cities close to the borders with those countries unemployment has increased.

He asked the Colombian workers to reflect on social, economic and labor problems of the country, and demanded that the rebels contribute to securing the pacification of Colombia. "There cannot be peace for some to the detriment of others," he noted.

"It is urgent that you, as Colombians, share my confidence and my hope," Betancur stated. He concluded with a plea: "Let it not be benevolently said again: 'poor Belisario, look what he got.' I got a great country, 'eager' and full of the desire to advance learning."

COMPTROLLER REPORTS ON GROWING BUDGET DEFICIT

PA212104 Bogota EL SIGLO in Spanish 18 May 83 p 9

[By Raul Rodriguez]

[Text] Yesterday Congress began to firmly discuss the bill submitted by the executive branch for strengthening the national, departmental and municipal treasuries, with the income tax bill discussed first. Meanwhile, the gap between treasury revenues and expenditures has continued to grow, according to the latest report from the comptroller general's office.

Fiscal revenues amounted to 52,383,800 million pesos, and disbursements and expenses totalled 76,532,100 million pesos during the first quarter of this year. For this reason, national accounts in these three areas reflected deficits amounting to millions of pesos, which more closely reflect the true fiscal deficit. Comptroller General Rodolfo Gonzalez Garcia's latest report to President Belisario Betancur indicates that despite certain adjustments that survived the Supreme Court's review following the economic emergency, the gap between budget revenues and expenditures remains quite high. Meanwhile, direct fiscal revenues have shown a tendency to decline because the uncertainty that the Supreme Court created with its rulings has resulted in a stagnation of the budget, and also because the deadlines for the filing of income tax returns as well as the respective tax payments are just coming due.

Due to the increasing gap and the government's growing need to increase its revenues by expanding the tax base rather than by increasing taxes, President Betancur has sent a message to Congress asking it to take immediate steps to process the bill making important adjustments in the income and complementary taxes, and to later discuss the bills aimed at strengthening the regional treasuries.

To the widening gap between revenues and expenditures to aid the regional treasuries must be added the fact that the growth rate of operating expenses remains the same. When coupled with the drop in revenues, this means greater sacrifices in public investment programs must be made.

At the close of the first quarter of 1983, the budget deficit was 40,262,900 million pesos, the fiscal deficit was 48,534,500 million pesos, and the treasury shortfall was 22,573,300 million pesos. Although these figures do not actually reflect the true state of the national accounts due to factors related to the accounting system, they do indicate that the country's fiscal situation is worsening and that emergency measures, which unfortunately fell through because of the Supreme Court's rulings, are required.

Expenditures

The 76,532,100 million pesos spent during the first quarter of 1983 were devoted to the following: 50,820,200 million pesos to cover operating expenses, 10,062,800 million to service the foreign debt, and 15,649,100 million to cover investment expenses. As can be appreciated, over 70 percent of the budget must be devoted to operating expenses and interest payments on the foreign debt, whereas appropriations for investments are decreasing and will ultimately depend on obtaining foreign credits.

During a meeting at Narino Palace last week, President Belisario Betancur and Finance Minister Edgar Gutierrez Castro demanded greater austerity in public spending from all directors and managers of decentralized agencies, and charged that strategies adopted in this regard have not been complied with even though the fiscal situation is deteriorating despite the government's efforts.

Revenues

Gross revenue estimates [reconocimientos] for the first quarter totalled 52,383,800 million pesos, which shows an active budget implementation [ejecucion] of 15.9 percent, whereas the implementation of operating expenses was 25 percent and that of investments 21 percent.

"The estimates obtained from 1 January to 31 March exceeded those of the same period last year by only 4.2 percent. The increase is noticeable mainly in indirect taxes, which grew 16.3 percent. This corresponds to sales taxes, which have been the largest source of revenues during the first quarter these last 2 years," the comptroller said. He added that revenues from income and complementary taxes during March totalled only 386.4 million pesos, which resulted from private tax payments and payments resulting from revisions or appraisals, through which this type of tax increases or decreases.

In other words, the situation has changed little because budget revenues continue to largely depend on indirect taxes, which are not a guarantee of stability for the national treasury.

GOVERNMENT ISSUES COMMUNIQUE ON BORDER INCIDENT

PA231814 Quito Voz de los Andes in Spanish 1130 GMT 23 May 83

[Text] The Ecuadorean Foreign Ministry issued a communique yesterday on the investigation carried out by the Ecuadorean Peruvian commission in charge of determining the exact location and circumstances of the border incident which took place last 18 January in the Ishpingo Viejo area.

The communique confirms that the incident took place when a Peruvian military patrol was caught in national territory by an Ecuadorean military patrol and responded to an order to halt with gunfire. This caused the clash in which two members of the Peruvian patrol were killed.

The information provided by the joint investigatory commission reveals that the incident took place near a grass hut on the right bank of the Pastaza River, clearly inside our national boundary, as Ecuador has maintained from the beginning. Futhermore, it was noted that in view of the results of the preliminary investigations and the clarifications made at the meeting in Iquitos, it is incomprehensible that -- if the incident took place in Peruvian territory -- a Peruvian military boat should have gone to the Ecuadorean post of Ishpingo to ask permission to search Ecuadorean territory for the Peruvian patrolmen, who were missing at the time.

Moreover, the geographic coordinates cited in the joint commission report to pinpoint the exact location at which the incident took place have been verified by Ecuadorean officials.

The Ecuadorean Government trusts that Peru will not fail to note the error of its observations as indicated in this correct report, the communique states.

SUPPORT FOR CONTADORA GROUP REITERATED

PA141810 Madrid EFE in Spanish 0146 GMT 14 May 83

[Text] Quito, 13 May (EFE) -- The Ecuadorean Government today reiterated its support for the Contadora Group (Mexico, Panama, Venezuela and Colombia) that is seeking a formula for peace in Central America.

According to official spokesman Ernesto Alban, Ecuador has preferred not to take initiatives regarding the Central American problem "so as not to increase the confusion," but it "will support those initiative already underway which will probably be successful."

The Ecuadorean Government's policy is to "support all peace initiatives for Central America that are based on peaceful solutions and eliminate warmongering solutions," Alban stressed.

Alban added that, within the same framework, Ecuador reiterates its point of view of "eliminating all intervention from Third World countries," in the conflict and of "giving the peoples an opportunity to speak up in regards to their political options." The Ecuadorean policy on this subject will be ratified by Ecuadorean President Oswaldo Hurtado during his trip to Venezuela in July. Hurtado will attend a meeting of Andean Group chiefs of state on the occasion of the bicentennial of liberator Simon Bolivar's birth.

HUERTA MONTALVO VIEWS CENTER-LEFT CANDIDACY

PA231923 Quito Voz de los Andes in Spanish 1130 GMT 23 May 83

[Text] Dr Francisco Huerta Montalvo's nomination as Democratic Party presidential candidate and the reorganization of four political parties make it utopian to believe in the establishment of a center-left front that could act as a single unit in the electoral primaries. This has obliged center-left groups to make a commitment, which was foreseen several months ago, to support the candidate of their liking who gets beyond the primaries.

Huerta Montalvo, the new presidential candidate, made official statement on this subject. Huerta said that if he does not win the necessary votes in the primaries, he will be the first to stand staunchly behind any center-left candidate who remains for the second round of elections.

Huerta also said that in the next elections the Ecuadorean electorate will have several center-left options from which to choose. As has been noted, the panorama within the so-called center-left is still uncertain, because the candidacies of Rodrigo Borja Cevallos and Julio Cesar Trujillo have not yet been made official and other groups are still negotiating.

Dr Francisco Huerta also disscused other topics of national interest.

COMMUNIST, SOCIALIST PARTIES REINSTATED

PA202000 Madrid EFE in Spanish 0049 GMT 20 May 83

[By Nestor Arboleda Teran]

[Excerpts] Guito, 19 May (EFE) -- After a legal battle that lasted almost 2 years, the Popular Democratic Union [Union Democratica Popular -- UDP], the electoral name of the pro-Moscow communists, recovered its rights as a political party today thanks to the Ecuadorean parliament's interpretation of the law.

Others that benefitted from the communists' struggle include the traditional socialists the National Velasquist Federation (a populist movement founded by decreased President Jose Maria Velasco Ibarra) and the Ecuadorean Revolutionary Popular Action, a splinter group of the similarly populist Concentration of Popular Forces.

The four parties had been erased from the Supreme Electoral Tribunal's registry because they obtained few votes in the 1978, 1979, and 1980 elections. With this rehabilitation, the number of legally recognized political parties in Ecuador rises to 17, changing the panorama prior to the presidential, legislative, and municipal elections slated for January 1984.

ADDITIONAL SHINING PATH ATTACKS REPORTED

PY231325 Buenos Aires TELAM in Spanish 2155 GMT 22 May 83

[Text] Lima, 22 May (TELAM-EFE) -- Press reports released in Lima state that new attacks by the Marxist subversive group Shining Path in various localities in the central part of the Andes have caused over 20 deaths in the past 48 hours.

These attacks followed the terrorists' actions carried out last Friday by the Marxist group in Ayacucho, located approximately 570 km south east of Lima, and in several Indian communities. Unofficial reports state that 125 people, including many subversives, died during the attacks carried out last Friday.

OFFICIAL REPORT CONFIRMS DEATHS IN AYACUCHO

PY232230 Paris AFP in Spanish 1604 GMT 23 May 83

[Text] Lima, 23 May (AFP) -- The Political-Military Command of the area declared in a state of emergency has officially reported that 169 persons -- peasants, policemen and members of the Shining Path terrorist group -- died in last week's bloody clashes in the Ayacucho Department and the Andahuaylas Province, Apurimac.

In Lima, President Fernando Belaunde has announced the gradual withdrawal of the armed forces from the Ayacucho Department, forces which will be replaced by a modernized police force because the subversive criminals are retreating. The Political-Military Command reported in communiques about the recent violent clashes that in the latest confrontations in Pampa, Cangallo and San Jose de Secce, Huanta Province, 77 subversives were killed: 69 men and 8 women; in addition to 2 policemen dead and 2 wounded.

In another communique it was reported that from 15 to 21 May another 42 subversives were killed in clashes in the Victor Fajardo and Cangallo Provinces (Ayacucho) and in Andahuaylas (Apurimac). Arms, ammunitions, and explosives, among other things, were also seized.

In a third communique the command reported that in the attack on Ayacucho last Friday eight civilians were killed and another eight wounded; nine policemen were wounded and public buildings received serious damage.

In conclusion, the last communique reports that from 15 to 21 May subversive elements of the Shining Path group murdered 40 poor peasants including men, women, elderly, and children in the Ayacucho Provinces, without mentioning the precise locations.

GOVERNMENT ACCUSED OF PERSECUTING JOURNALISTS

PA201603 Havana International Service in Guechua 2200 GMT 17 May 83

[Text] Mario Castro Arenas of the journalist association [words indistinct] voiced his disapproval to Interior Minister Luis Percovich over the arrest and mistreatment of two reporters in Lima. At the same time, Castro Arenas noted that the present government is attacking newspapermen to keep them from carrying out their news-gathering activities.

SPANISH KING, QUEEN ARRIVE IN MONTEVIDEO

PY201629 Paris AFP in Spanish 1618 GMT 20 May 83

[Text] Montevideo, 20 May (AFP) -- Spanish King Juan Carlos and his wife Sofia arrived this afternoon in Montevideo from Campinas (Brazil) for an official visit of a little over 48 hours.

The Spanish Air Force DC-8, carrying the Spanish king and his entourage of almost 40, landed in Uruguay at 1307 local time (1607 GMT) at the Carrasco International Airport, located around 20 km from downtown Montevideo. They were welcomed by the Uruguayan president and other high-ranking Uruguayan officials.

Juan Carlos Meets Politicians

PY240240 Paris AFP in Spanish 0036 GMT 22 May 83

[Excerpt] Montevideo, 21 May (AFP) -- Uruguayan politicians, who met for more than 1 hour tonight with King Juan Carlos at the Spanish Embassy, said that they had a meaningful, friendly and cordial talk with the king. A dozen political leaders of the Colorado, Blanco and Civic Union Parties that are legally recognized, and of the Christian Democratic and Socialist Parties that are not legally recognized, talked at length and openly with the Spanish monarch about the political situation both in Spain and Uruguay.

Colorado politician Enrique Tarigo, like most of his colleagues, only mentioned general aspects of the conversation, because he said that it would be improper to reveal the specific topics of the conversation, although he admitted that most of it revolved around the democratization of Uruguay.

Other politicians said that Juan Carlos -- whose simple manners made it hard for them to believe they were talking with a king -- showed interest in the Uruguayan process of reinstitutionalization, but limited himself to saying courteous words and gathering information. Civic Union leader Humberto Ciganda, however, revealed that his majesty expressed solidarity with them.

Spaniards Under Arrest Discussed

PY240058 Paris AFP in Spanish 1355 GMT 22 May 83

[Excerpt] Montevideo, 22 May (AFP) -- The situation of Spanish citizens under arrest for political crimes was discussed by the Spanish and Uruguayan foreign ministers, Fernando Moran and Carlos Maeso, respectively, during King Juan Carlos' visit here.

The announcement was made by Fernando Schawartz, director of the Spanish Foreign Ministry Information Office, who declined to give further details on this matter. Four Spanish citizens were tried and sentenced by Uruguayan military justice because of their participation in the urban guerrilla movement dismantled by the armed forces in the seventies.

King, Queen Return to Spain

PY230337 Paris AFP in Spanish 2316 GMT 22 May 83

[Text] Montevideo, 22 May (AFP) -- The Spanish Air Force DC-8 plane which is transporting the Spanish royal couple back to their homeland left the Uruguayan Carrasco International Airport at 2010 (2310 GMT) today.

The Spanish visitors were bid farewell before boarding the plane by President Gregorio Alvarez, the commanders of the three military branches, other authorities, and a large and enthusiastic crowd.

POLICE ARREST POLITICIAN'S WIDOW, BAN WEEKLY

PY220120 Madrid EFE in Spanish 0113 GMT 21 May 83

[Text] Montevideo, 20 May (EFE) -- Mrs Elisa Delle Piane de Michelini, the widow of former Colorado Party Senator Zelmar Michelini -- who was murdered in Buenos Aires 7 years ago -- was arrested today while waving a large placard that read "Amnesty for Political Prisoners" as Spanish King Juan Carlos passed along Montevideo's main avenue.

The woman was with a group of persons at the "Cagancha" Square, waiting for the passage of the Spanish royal couple. Police detained the widow of Michelini precisely as the royal visitors passed along 18 de Julio Avenue, Montevideo's main avenue. The detention was confirmed by sources of the "Peace and Justice" movement that is headed by Argentine Noble Peace Prize winner Adolfo Perez Esquivel.

The weekly LA DEMOCRACIA, which the military regime banned today, published a 1-page interview with Mrs Michelini on the occasion of the seventh anniversary of her husband's murder. Early today police seized the weekly issue carrying the interview. No official report has been released on the incident, which was not observed by the Spanish king. However, reliable sources told EFE that the king was told about the detention.

MINISTRY DENIES RUMORS OF SEREGNI RELEASE

PY202310 Madrid EFE in Spanish 0337 GMT 20 May 83

[Excerpts] Montevideo, 19 May (EFE) -- A high-ranking official of the Uruguayan Interior Ministry today told EFE that former General Liber Seregni, the leader of the Uruguayan left, has not been released. In response to a concrete question on this matter, the spokesman simply answered: "There is nothing new on the subject."

News media reported this afternoon that Liber Seregni, 67, who has been serving a prison term on charges of subversion, had been released because the military court had ruled that he had served his time.

Last week the Council of State, the body which has taken the place of the congress, approved a law changing the military criminal code and first offenders can be granted an "early release" after they serve half of their term of imprisonment. Seregni has already been in prison for 9 years and his situation has attracted the attention of European governments and liberal political movements.

HERRERA CAMPINS ON TRADE WITH COLOMBIA

PA211802 Hamburg DPA in Spanish 2134 GMT 20 May 83

[Text] Caracas, 20 May (DPA) -- Venezuelan President Luis Herrera Campins was interviewed here today by Inravision, a Colombian television network. Responding to a question from Colombian journalist Jorge Enrique Pulido, the president said that the situation that resulted from Venezuela's adoption of trade control measures in March is, "to a certain extent, the very opposite of what it was traditionally."

The president referred to how businesses in the Venezuelan state of Tachira and in the Colombian city of Cucuta have been affected by saying: "We know that Venezuela's differential exchange rate system has affected the economy of neighbors with whom we maintain very close relations."

"Things have changed," he added, admitting, as the interviewing journalist had commented, that Venezuela's exchange measures "have had a negative effect" on bilateral border trade.

He explained that Venezuelans used to "do their shopping" in Cucuta because it was cheaper, and that Colombians used to go to towns in Tachira to buy electrical appliances and optical and photographic equipment. He noted: "We have not yet adjusted our attitude toward accepting changes produced by the economic and monetary situation."

President Herrera added: "We are giving this matter serious attention; both the Central Bank and the Finance Ministry are examining ways of stabilizing what has always been a cordial relationship. As everyone knows, Venezuela took these steps not because it wanted to, but because it had to. We have never wanted to damage the economy of any friendly or sister nation."

Changing subjects, President Herrera commented on the difficult Central American problem by saying that "the work being carried out by the Contadora Group (Contadora is a Panamanian island) has been very productive to date, as it is a Latin American group trying to solve Latin American problems, which must be dealt with without undue meddling or intervention from any outside country."

"On the basis of the information that has reached me, I am certain that the Central American people place a high value on the work being carried out by Mexico, Panama, Colombia, and Venezuela."

REGIME SAYS DONALD REGAN STATEMENT 'IMPERTINENT'

PA211539 Buenos Aires LATIN in Spanish 0532 GMT 21 May 83

[Excerpt] Caracas, 20 May (LATIN-REUTER) -- The Venezuelan Government has rejected the terms of a comment made yesterday by U.S. Treasury Secretary Donald Regan. Regan said that Venezuela should accept an IMF economic program. The Venezuelan Government described the comment as "impertinent, contradictory, and childish." It said: "We must assess the statement made by U.S. Treasury Secretary Regan as impertinent, contradictory, and childish, to say the least." Finance Minister Arturo Sosa said at a news conference this evening that Venezuela will make its own decisions about a possible IMF program to stabilize the nation's economy and denied that the government is resisting the drastic conditions contained in that program because of the elections to be held in December.

Regan and Sosa met when the Venezuelan minister visited Washington last month. According to U.S. reports, the U.S. official urged Venezuela to accept the IMF program if it really wants to resolve its economic crisis.

Sosa said that, on behalf of the Venezuelan Government and people, he flatly rejects Regan's statement and accused the U.S. Treasury secretary of overstepping the bounds of his post.

He indicated that the fact that elections will be held in Venezuela this year has absolutely nothing to do with the government's refinancing plans and that appropriate corrective measures will be adopted independently of the electoral issue.

He declared: "The IMF will play an important role in the country's refinancing plan, and the circumstances present in an electoral year will neither limit nor condition whatever adjustments are necessary to secure refinancing that reflects the country's ability to pay and is appropriate for maintaining an acceptable social and economic climate."

HAVANA CITES HERRERA CAMPIN'S CRITICISM OF U.S.

FL162105 Havana Domestic Service in Spanish 2025 GMT 16 May 83

[Text] Venezuelan President Luis Herrera Campins has criticized the Government of the United States for obstructing the efforts of Latin American countries to overcome their economic problems. Herrera Campins used those terms when it was learned in Caracas that the United States abstained in a UN vote on a conference to be held in the Venezuelan capital.

The conference will discuss the more critical economic and financial problems of concern to Latin America, the Venezuelan president stressed. The Conference of the Inter-American Economic and Social Committee, a body of the OAS, to be held between August and September of this year, will take up Latin American financing and international trade and will concentrate on the growing foreign debt of the countries of the region.

BRIEFS

NEW POLITICAL PARTY -- A new political party called the "Socialist Homeland Movement" [Movimiento Patria Socialista] has been founded in Caracas. It leaders, Tirso Pinto and Ali Rodriguez, say that the party will support Jose Vicente Rangel's presidential candidacy. According to the leaders, the party is the beginning of a vast Socialist movement, which will seek followers from other forces. [Summary] [Madrid EFE in Spanish 1935 GMT 2 May 83 PA]

HAVANA CITES DE LA MADRID SPEECH IN SONORA

PA230236 Havana International Service in Spanish 0000 GMT 23 May 83

[Text] Mexican President Miguel de la Madrid has stated that his government and the Institutional Revolutionary Party, PRI, will defend the country's independence as well as the right to self-determination and nonintervention, and stressed that they will not allow Mexico's destiny to end up in the hands of another nation.

De la Madrid made this statement in Sonora, where a few days ago representatives of the U.S. Embassy; the rightist National Action Party, PAN; clergymen; and businessmen held meetings that were viewed as a conspiracy against Mexico.

He referred to these meetings and emphasized that his government and the PRI represent the historical aspiration of the Mexican people. After all, he added, we are nationalists and heirs of the 19th century liberals who opposed the tutelage of a foreign power.

Practically every Mexican newspaper highlighted the president's speech and agreed on stressing in their headlines that the destiny of that Latin American nation will not fall into the hands of a foreign power, clearly referring to the United States.

PRI LEADER ACCUSES U.S. EMBASSY OF 'MEDDLING'

PA210430 Havana International Service in Spanish 0000 GMT 21 May 83

[Text] Pedro Luis Bartuliti, representative of the official Institutional Revolutionary Party, PRI, in Hermosillo State, accused the U.S. Embassy of meddling in Mexico's internal affairs. He said that the United States is intervening in Mexico's internal affairs by seeking information on the activities of political parties.

He denied that any party member of the faction he leads has held secret meetings with U.S. Embassy personnel, as did some leaders of the rightist National Action Party, PAN.

PARTIES SPEAK OUT AGAINST SIMPSON-MAZZOLI LAW

PA232056 Mexico City UNOMASUNO in Spanish 21 May 83 p 5

[Text] The Socialist Workers Party (PST) and the Workers Revolutionary Party (PRT) have asked the government to take a firm stand against the Simpson-Mazzoli law and to initiate action to prevent application of the law. The PST feels that in the next interparliamentary meeting with the United States, a firm stand should be taken against the constant pressure applied to Mexico, and that Mexico should demand that the U.S. Congress abolish the law.

For its part, the PRT feels that approval of the Simpson-Mazzoli law is tantamount to a very aggressive offensive against undocumented workers and is part of U.S. President Ronald Reagan's crackdown on such workers.

Therefore, the PRT proposed that " the necessary mobilization and protest measures" be taken against this law.

BRIEFS

FOREIGN SECRETARIAT OFFICIAL -- The Foreign Secretariat has announced that President Miguel de la Madrid has appointed Ignacio Villasenor new director for bilateral affairs. He replaces Raul Valdes Aguilar, who was appointed Mexican ambassador to Israel. [Summary] [Mexico City El NACIONAL in Spanish 18 May 83 p 4 PA]

NEW AMBASSADORS -- The ambassadors from the Dominican Republic, Australia, Sudan, Mongolia and Sri Lanka, after presenting their credentials to President Miguel de la Madrid, stated their governments' support for the efforts that Mexico and the Contadora Group are carrying out in favor of peace in Central America. The new ambassadors are Ernest Corea, Sri Lanka; Alberto Anibal Campagna, Dominican Republic; Gammbosu Renguin, Mongolia; Cavan Oliver Fenton Hogue, Australia; and Amer Salih, Sudan. [all names as published] [Summary] [Mexico City EL NACIONAL in Spanish 18 May 83 p 9 PA]

NATIONAL GUARD CHIEF ENDORSES BALANCE OF POWER

PA231745 Panama City Domestic Service in Spanish 1443 GMT 23 May 83

[Speech by General Ruben Dario Paredes, commander in chief of the National Guard, welcoming new guardsmen; at Fort Cimarron, Panama City -- live]

[Text] Distinguished officers, military attaches of our sister nations and of Nationalist China, members of the National Guard Chief of Staff, parents who today produly witness their children's graduation, members of the Belisario Porras class, ladies and gentlemen:

Today you are joining our National Guard, a public force of Latin America, of our proud Republic of Panama, with its own special personality that has yielded great dividends to the country, particularly those which constitute the equilibrium, harmony, and peace among our 2 million Panamanians. You are joining -- and never forget it -- an institution that is a part of the Panamanian people; it is accustomed to lending a hand to whomever needs it. Wherever there is a national guardsman, there is someone always ready to help another Panamanian.

You are not joining repressive, abusive, arrogant armed forces. On the contrary, for nearly 15 years our people ahve learned that their armed forces are a part of them, and you must start out with that conviction. We have trained you for nearly 3 months to join the National Guard's infantry ranks and also to improve the police service, badly needed by our community to maintain public order so that the people may sleep in peace and proceed with their work without having to worry about their children's welfare; badly needed so that the professionals may feel secure enough in their work and efforts to develop and produce for the country.

It is necessary to mention that, most unfortunately, there is violence very near us. In Central America men in uniform and civilians are killing each other. Such violence, although still somewhat distant from our borders, does not exempt us from being on the alert and preparing ourselves to defend our territory, dignity, and sovereignty in case -- and we hope it will never be -- such violence should reach us.

Besides, the year 2000 is approaching. That year in the life of our nation is highly important as it is the year when our independence becomes a reality.

However, we cannot assume this great commitment, the strategic step of assuming custody of our canal, if we do not improve and increase our professionalism to the necessary levels so that when that day arrives, not only we, but our sister nations and the United States as well, can rest assured that this canal is properly guarded by you and future National Guard generations.

I will conclude this way: Recently, the process of amending the constitution ended when the amendments were published in the OFFICIAL GAZETTE. We, the armed forces, and I, speaking as the commander in chief, before our flag -- and I want the people of all our provinces and landscape to witness this -- state that we will be the first to respect the will of our people recently expressed at the polls when they asked for and ratified the constitutional amendments.

As of this moment, before our national flag, we swear to respect the three constituted branches of power: the executive, the judicial, and the legislative.

As of today, we consider the real power in the presidency of the Republic of Panama, by the will of the Panamanian people. Our task, also as of today, is to be on the side of that chief of state, at this moment in the person of Ricardo de la Espriella, and in the future in the person whom the people may choose in due time and for the rest of the existence of this country.

It will not be easy; there are 15 years ahead of very close cooperation between the Armed Forces and the people, which we have no intention of abandoning. It is, however, necessary for the good of our people and for democracy that the members of the Panamanian Armed Forces place themselves at a prudent distance from the political leadership of the country, and that they let civilians, the best Panamians, take care of this task. The people must cooperate, by relying on their ministers, their directors of autonomous institutions, their president. They will respond to the people's problems. As it traditionally should be, we will continue to have links with our people through civic action programs, by helping the needy, by giving a hand to any man, woman, child, or elderly person who needs help. However, the greatest government decisions, as of today, and following the people's mandate, are in the hands of the president of the republic.

Cameramen, media: From now on, also train your cameras on other faces. Thank you. [applause]

CUBAN VICE PRESIDENT MEETS DE LA ESPRIELLA

PA180041 Panama City Televisora Nacional in Spanish 2300 GMT 17 May 83

[Text] Cuban Vice President Carlos Rafael Rodriguez arrived in our capital today on his way to Colombia, where he will participate in a meeting of Latin American intellectuals.

During his brief stay in this city he paid a courtesy visit on Panamian President Ricardo de la Espriella. In their meeting they discussed topics like the regional economy and its effects on the development of nations. Panamanian Vice President Jorge Illueca, Cuban Ambassador Miguel Grugueras and Diogenes de la Rose also participated in the meeting.

SOVIET, DPRK PUBLICATIONS CIRCULATE IN INTERIOR

PA191942 Panama City YA in Spanish 16 May 83 p 12

[Text] David, [no date as published] -- A Soviet military magazine containing military information and tactical recommendations on the use of various types of modern weapons is freely circulating in Chiriqui. The magazine was widely distributed during the 1 May meeting held in Finca Blanco. It sold for $1.25 in combination with the newspapers BAYANO and UNIDAD, both local communist publications.

The Soviet military magazine also contains several pages on learning the Russian language, with words that refer to weapons and bombs.

Publications put out by the Novosti agency and from the DPRK have been circulating freely in Chiriqui lately.

Various sectors in Chiriqu have issued a warning since this type of material incites the disruptions of peace and the introduction of violence. These publications are primarily distributed in critical areas, such as the banama farms, the border area and the Indian zones.

It is not known how these magazines arrive in Chiriqui or who distributes them, so a thorough investigation by the authorities is in order.

PDP LEADER ON LEFTWING UNITY, LABOR REFORM

PA191921 Panama City CRITICA in Spanish 18 May 83 pp 24, 5

[Text] Communist leader Cleto Sousa has described as a "bad start" the call to leftwing unity issued by the leaders of the Workers Socialist party (PST), because it "contradicts our national liberation process."

Sousa expressed his belief in a unity with points of concurrence in connection with specific objectives.

Asked about the PST's position against the present administration, Sousa, who is a member of People's Party (PdP) Political Bureau, answered that "we support the process of changes sponsored by Omar Torrijos, and we support the candidate who furthers that ideology."

He was clear in stating that "in the course of our struggle we neither set as a condition that the candidate be a Communist, a member of our party, nor do we have any prejudices against militarymen."

He added that "we know that the Torrijist ideology will continue to bring the country's forces together. So long as this ideology is alive, there will be no problems."

Another issue broached by the PdP leader concerned the proposed labor code changes. Concerning this, he explained that "we do not oppose changes in the labor code, but we will oppose any reform that goes against the workers."

He added that "modifications must seek to improve things and to reach an understanding among workers and businessmen." On this same subject, he said that he is aware that "our workers are primarily exploited by the big international banking consortiums that lie outside our control."

"We know," he said finally, "that the businesses of many small businessmen have been confiscated due to the prevailing conditions characterized by high interest rates and the banks' contraction of the money flow."

MANFREDO OUTLINES CANAL LABOR NEGOTIATIONS

PA171957 Panama City Televisora Nacional in Spanish 2300 GMT 16 May 83

[Text] Fernando Manfredo [deputy administrator of the Panama Canal Commission] has reported on the labor negotiations being undertaken by the Panama Canal Commission:

[Begin Manfredo recording] We have already concluded three collective contracts. We concluded a collective contract with the canal pilots, which took 6 months of negotiations. We concluded a collective contract with the marine engineers that took us a little over 5 months. We concluded a collective contract with the firemen that took us a little over 4 months.

Now we have the largest group, which is made up of the nonprofessionals, those who are not included in any professional group. It includes more than 6,600 people and is represented by a coalition that includes the metal trade group and the International Organization of Mates and Pilots. There is also the professional group that is not included in either the pilots, the firemen or the marine engineers, and that is made up of approximately 167 people.

The negotiations with those two groups are going very slowly. In one case we have been negotiating for 17 months. In the other case we have been negotiating for 14 months. I attribute this delay to the fact that this is the first time that there has been collective bargaining, and the coalition has found it difficult to achieve a joint position. The fact that more than one union is involved forces them to reach agreement among themselves before presenting a position. That has apparently taken a long time.

Another factor is that there has not been sufficient training among them regarding collective bargaining. Much time has been lost because they have presented a large number of proposals that aren't negotiable. Let me explain this to you. In the case of the Panama Canal Commission, collective bargaining is regulated by Title Seven of the reformed Civil Service Law. Title Seven leaves a very narrow field for negotiations. There are a lot of subjects that cannot be negotiated. The coalition presented many proposals that are not negotiable, so the whole process of trying to clear up all those points has taken a long time. In addition, on the topics that are negotiable we have had to establish the real needs of the employees. I think this explains the delays in the negotiations. But I can assure you that, on our part, we gave adequate training to our negotiators. We have given sufficient authority to the negotiators so that they can take proposals to the negotiating table, and we are always reminding them that it is to this agency's interest to have the negotiations take place as rapidly as possible. [end recording]

GUARD'S 'NATIONAL SECURITY' ARGUMENT CRITICIZED

PA231549 Panama City LA PRENSA in Spanish 23 May 83 p 1

["As of Today" column]

[Text] Some days ago members of the National Guard staff directly intervened in matters completely outside their jurisdiction. The G-2 chief participated in a meeting with labor leaders to discuss the reforms to the labor code. He did this arguing that the labor situation affects national security. This was the same argument that the chief of staff used to participate in the cabinet meeting to discuss the return of the second installment of the thirteenth month. Everything seems to indicate that this will be the pretext they will use in the future to justify the National Guard's meddling in every aspect of the nation's life. Using the same criterion, they can argue that the civil power's financial policies are contrary to the interests of national defense and then proceed to modify them. An unlimited sphere of action has thus been opened. It ranges from charges by the state attorney and sentences by the Supreme Court to the results of the forthcoming elections. If the military decides that the people's will, as expressed in the polls, threatens the country's security, it will not hesitate to annul the elections with a typical coup. They can use the same argument to close newspapers, suspend radio announcers' licenses, and indefinitely suspend public liberties and individual rights. With this new idea, nothing can escape consideration as a matter of national security. It would be good to clear up this situation so that all citizens may know what to expect.

MATUTINO ON UNWELCOME DIPLOMATIC ACTIVITIES

PA161928 Panama City MATUTINO in Spanish 16 May 83 pp 8-A

["Moyolandia" column by Harmodio Icaza: "Monday's Notes"]

[Excerpt] 1. The quick disappearance of the Nicaraguan diplomat who used to send the communist propaganda to Father Allan in Volcan for distribution in the literacy centers binds the Panamanian Government to take a close look both at the number of diplomats accredited to Panama and at their activities.

2. The action by the Nicaraguan communist constituted an insult to our hospitality; an abuse of his status as a diplomat, meddling in Panama's internal affairs; and a violation of our sovereignty. The protest note from our Foreign Ministry to the Nicaraguan communists must be just as clear.

3. Everywhere in the world, and even in countries that have socialist governments, like France, Russian diplomats and "entrepreneurs" are being kicked out because of espionage activities. I think we should pay more attention to the Russians of the Lada automobile firm. Besides, the cars themselves are not exactly the eighth wonder of the world.

4. Panama should also make a review of the personnel of each embassy accredited here and tell those countries that have excessively large staffs to reduce them, particularly if our relations don't justify it.

DAILY URGES REMOVAL OF U.S. ARMY BASE, SCHOOL

PY192003 Panama City LA REPUBLICA in Spanish 18 May 83 p 14

["Vox Populi" column by Luis Restrepo Rosas: "What To Do With Fort Gulick"]

[Excerpts] Commenting on his forthcoming trip to Washington in his speech to dedicate the bridge over the Chiriqui River, Gen Ruben D. Paredes rhetorically asked "What shall we do with Fort Gulick? On 1 October 1984, the U.S. Armed Forces in Panama will stop operating the so-called "School of the Americas" from that military enclave.

Fort Gulick and the School of the Americas represent the most perverse manifestation of imperialism and colonialism ever imposed on our country. Throughout Latin America the military enclave that operates in Panama has become the symbol of the tortures that those seeking their liberation have suffered.

Fort Gulick and the School of the Americas must be removed once they are recovered on 1 October next year. Their names must be erased forever. That part of the country must be given a nationalistic use. After being disinfected, the school's buildings should be used to train agronomists, young farmers, and other professionals.

We must never yield to the pressures that are already being exerted to accept the operation of the "Academy of Tortures" beyond October 1984, let alone after the year 2000, as the Pentagon is already proposing.

That is the use that should be given to that part of our homeland. If the colonial enclave is allowed to continue operating in that place, then those who testified before the UN Human Rights Commission will be completely right. Argentines, Chileans, Peruvians, Bolivians, Uruguayans, Brazilians, Paraguayans, Salvadorans, and Guatemalans...all of them are accusers of the torturers trained at Fort Gulick, in the School of the Americas.

EL SALVADOR

ARMY FORMS TWO NEW COUNTERINSURGENCY BATTALIONS

PA141907 Panama City ACAN in Spanish 0041 GMT 13 May 83

[Text] San Salvador, 12 May (ACAN-EFE) -- Military sources reported today that the Salvadoran Army has created two counterinsurgency battalions that will begin operating in the country's east next week. According to the military sources, the new armed forces units trained in Santa Ana, 66 km west of San Salvador, are called "El Pipil" battalion. [sentence as received]

The military sources said that the battalions trained in antiguerrilla warfare will be responsible for locating and dismantling subversive redoubts in the eastern zones of the country that include Usulutan, San Miguel, Morazan, and La Union, areas where leftist actions have increased.

Other military sources stated that rebel groups had attacked the civil defense surveillance post in El Limon, Chalatenango, in northern El Salvador, but that no casualties had been reported.

The sources added that the insurgents attacked from different areas but were repelled by army troops that had arrived previously to reinforce the civil defense's rearguard. El Limon is located 1 km east of the military garrison that protects the Cerron Grande hydroelectric dam, and only 75 km north of San Salvador.

ARCHBISHOP SAYS AMNESTY LAW NEEDS REVISION

PA222303 Buenos Aires LATIN in Spanish 2149 GMT 22 May 83

[Excerpts] San Salvador, 22 May (LATIN-REUTER) -- Salvadoran Archbishop Arturo Rivera y Damas stated today in his weekly homily that the new amnesty law of the country is well intended, but ineffectual.

Monsignor Rivera y Damas stressed that the law, approved 4 May by the Constituent Assembly, should consider the thousands of Salvadorans who have fled from the violence in the country since the civil war began 3 years ago.

"I have found an amnesty law that has good intentions, but which does not meet the needs and desires of the people. I believe it is a law that should be revised and modified," he declared. "Mainly, it should guarantee those who accept it the effective respect of their fundamental rights, above all, their lives," he added.

The archbishop stated that 87 Salvadorans have been killed in the past week, 13 of them at the hands of the army troops, 10 by death squads, and 64 in fighting in different parts of the country. Compared with the previous week's figures, violence has waned, Monsignor Rivera y Damas stated, but stressed that there has been an increase in the number of persons fleeing from the violence.

He said that in the past weeks 100,000 persons have left the strife-torn eastern provinces of the country. The prelate added that the intervention of the world powers in the Central American conflicts, either direct or indirect, represents a threat to regional peace.

AMNESTY COMMISSION ASKS HELP OF AMBASSADORS

PA220312 San Salvador Radio Cadena Central in Spanish 1800 GMT 21 May 83

[Text] San Salvador -- According to diplomatic sources, the recently created Amnesty Commission has asked ambassadors accredited in this capital for economic aid and cooperation to send out of the country all those who benefit from the amnesty law.

In a meeting with the diplomats, Amnesty Commission President Ernesto Arbizu Mata said that they do not have many (?funds) and need the cooperation of friendly countries. Arbizu Mata met with the diplomats at the commission's offices located at the International Fair building.

He announced that so far 12 people, presumably guerrillas, has sought the protection of the amnesty law, and asked the ambassadors to transmit to their countries his petition to accept all these persons who have benefitted from this measure.

He noted that a rehabilitation camp has been established at a place he did not specify, where all those seeking the protection of the amnesty can go. This place will be protected by the armed forces.

In addition, Arbizu Mata reported that each person given amnesty must sign a letter of intention, and will then be given a special safe-conduct card to get out of the country. However, he did not state whether this same card would allow them to re-enter the country. The Amnesty Commission was sworn in on Tuesday, and in addition to Arbizu Mata, it is made up of Monsignor Freddy Gonzalez and Guirio Waldo Salgado, a lawyer.

RADIO VENCEREMOS REPORTS ON FMLN ACTIVITIES

Army Losses in 1983

PA221342 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 22 May 83

[Text] We are invincible. We are winning the war. They have been unable to defeat us despite years of repression and genocide. We are invincible. Despite planes, cannon, advisers and U.S. - trained battalions, they have been unable to stop us.

We are winning the war. We are marching from victory to victory. We are winning the war because we are dislodging the enemy from his positions. The enemy has lost his capacity to defend the regime's economic infrastructure. We are winning the war because in the first few months of 1983 we have seized more than 1,500 of the rifles sent by Ronald Reagan from the dictatorship.

We are winning the war because in the last few months we have recovered more than 80 support weapons, including mortars, cannon and machineguns. We are winning the war. In the last few months we have captured more than 700 members of the dictatorship's armed forces, and we have released them. We are winning the war. In the last few months we have inflicted more than 2,000 casualties on the enemy. We have seized more than 30 towns.

We are winning the war because we are extending the areas under our control. There, hundreds of Salvadorans are joining the struggle in those areas, aware that since we are the people, we are invincible. We are winning the war!

Newspaper Plant Attacked

PA230404 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 23 May 83

[Text] We have received a report from the capital, stating that on 16 May FMLN guerrillas, evading the enemy operation that gives protection to the downtown sector, opened fire on two national policemen who were guarding EL DIARIO DE HOY, the newspaper of the oligarchy, accomplice in the genocide and the misinformation of our people.

This action hit the enemy's strategic rearguard, where it concentrates its most bloodthirsty and repressive forces.

This action was a warning to those who think they can live in peace at the expense of our people's blood. Our rebels got close to their target and opened fire on the policemen guarding EL DIARIO DE HOY, and then seized from them two 9-mm submachine-guns and their ammunition.

After they carried out their mission, our guerrillas retreated before the enemy could react. We received this report from Companero Tilo in San Salvador.

Actions To Control Roads

PA230415 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 23 May 83

[Text] In Usulutan, the FMLN continues to control the roads at will. On 21 May, our revolutionary army seized the stretch that links the (California) turnoff with Gualache on the road from Usulutan to Santiago de Maria. Our forces attacked the enemy when they advanced from Santiago de Maria, killing eight of them. This action was led by Companero Anselmo.

More actions were carried out within our activities to control the roads. On 22 May our rebels seized the stretch known as (La Quinta) on the coastal road. An enemy force advanced from Tierra Blanca and clashed with our guerrillas, resulting in a clash that lasted 20 minutes. We inflicted one casualty on the enemy. This action was led by Companero Joya.

Town Occupied

PA240323 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 23 May 83

[Text] Vides Casanova, the general of the immediate withdrawal, has again refused to deploy forces to areas of San Vicente Department where he has been defeated on previous occasions, From the Anastasio Aquino Front we have learned that the enemy has abandoned the towns of San [name indistinct], Santa Clara, San Lorenzo, (Las Rejas), Santa Elena, La Esperanza and San Esteban. The report received from San Vicente Department states that on 20 May our revolutionary forces occupied the town of Santa Clara, abandoned a few days ago by troops of the 5th Infantry Brigade. Units specialized in [words indistinct] carried out this action. A well-attended meeting with the residents of Santa Clara was held, and the [words indistinct] of our people's liberation war.

Actions in La Union

PA240357 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 23 May 83

[Excerpt] Attention! Attention! This is a report from La Union Department on another blow that our revolutionary forces have dealt to the puppet army: At 0500 on 22 May, the FMLN attacked National Guard positions guarding reconstruction works at the Agua Caliente bridge located on the military route between Santa Rosa de Lima and the Amatillo border post. When the revolutionary forces advanced, the enemy fled in disarray. We repeat, the National Guard forces guarding these reconstruction works fled in disarray.

Later on, the enemy, along with police forces, tried to send reinforcements, which were ambushed by our forces. After heavy fighting, these enemy reinforcements, just like the national guardsmen, had to flee in disarray.

In other fighting in this part of La Union Department, our revolutionary forces seized the following from the enemy: 3 G-3 rifles, 1 M-79 grenade launcher with 12 grenades, a 9-mm Browning pistol, a .38-cal pistol, a large quantity of 7.62-mm ammunition and other war materiel.

In this action [not further specified], we killed eight of the enemy, including a lieutenant who led the reinforcement force. Our forces withdrew without any problems. Commander Chano Guevera sent this report.

RADIO GUAZAPA REPORTS ON GUERRILLA ACTIVITIES

PA202212 (Clandestine) Radio Guazapa in Spanish to El Salvador 0130 GMT 20 May 83

[Text] War report from the Francisco Sanchez Southeastern Front, San Agustin-Tres Calles Zone:

Carrying out orders from the general command to sabotage the enemy's war economy, on 15 May militia units paralyzed the repair work being done on the streets from Berlin to El Paraiso.

This is a highly important zone for the enemy's war economy because it is a coffee-producing area and has been included in the dictatorship's economic reactivation plan. To date, work in the zone continues to be paralyzed. The action was led by Companero (Antonio). Signed Companero (Sochi).

War report from the Francisco Sanchez Northeastern Front: On 13 May 1983, at 1000, we held a march of solidarity at Canton Lost Laureles, Nuevo Eden de San Juan jurisdiction, San Miguel Department. The people there contributed a fanega of corn and then participated in a lecture that we gave them. We also put up 35 posters: 20 rejecting the murder of our Commander Ana Maria and 15 on the FMLN's political-military activities. This action lasted 6 hours and was carried out by the people's liberation militias. The action was led by Companera (Eva).

On 14 May 1983, at 1815, we took over the town of Estanzuelas in Usulutan Department. A search was made. We recovered a .357-cal gun, 2.38-cal specials, a .22-cal gun, and 20 yars of olive-green material. This action lasted 2 hours and was carried out by the people's liberation militias. The action was led by Companero (Walter). Revolution or death! We will win! Signed Companero (Rafael).

RADIO HAVANA REPORTS ON FMLN ACTIVITIES

Bombings, Plane Downed

PA202033 Havana International Service in Spanish 1600 GMT 20 May 83

[Text] The Salvadoran Air Force has indiscriminately bombed villages near the city of Suchitoto, which is located 44 km from San Salvador. According to a report read on Radio Farabundo Marti, A-37 B planes provided by the United States fired 20 rockets and dropped 10 200-lb bombs on the civilian population in the cantons of La Cruz, El Salitre, (Platanares) and San Cristobal. Radio Venceremos announced Thursday that one of these planes had been downed as it was attacking a group of guerrillas in Morazan Department.

According to other reports, the Guatemalan and Salvadoran foreign ministers met in the Salvadoran capital with the acting foreign ministers of Honduras and Costa Rica. The ministers agreed to act jointly at the next meeting of the Contadora Group, which is scheduled to take place between 27 and 29 May.

Weapons Recovered

PA211732 Havana International Service in Spanish 1600 GMT 21 May 83

[Text] The Salvadoran patriots have announced the recovery of more than 450 weapons of all kinds as a result of the latest actions on the country's various fronts.

Radio Venceremos, the official voice of FMLN, has reported that the supplies taken include 29 support weapons that will join the arsenal of the Amilcar Hernandez Artillery Battalion, headquartered in Morazan.

Radio Venceremos reported that this battalion has heavy machineguns, howitzers and cannons of various calibers. This was the battalion that shot down the helicopter in which former Salvadoran Vice Defense Minister Col Francisco Adolfo Castillo -- who has been held by the rebels since June 1982 -- was travelling. The radio also reported that FMLN forces recently shot down a U.S.-made A-37 aircraft. In addition, Radio Venceremos noted that almost all of the rebels' weapons have been seized from the enemy and denied the U.S. charge that their material is supplied by Nicaragua and Cuba.

FMLN Guerrilla Actions

PA220339 Havana International Service in Spanish 0000 GMT 22 May 83

[Text] Salvadoran guerrillas have ambushed a truck full of soldiers 110 km east of San Salvador, as well as a convoy that was carrying the regime's troops from Santiago de Maria to an unspecified location.

It was also reported that nine bombs exploded in Apopa, 12 km north of San Salvador. Shortly before the bombs went off, FMLN rebels dynamited three high-tensions towers in Usulutan and San Vincente Departments in eastern El Salvador. This action resulted in blackouts of large areas in the region.

Almost simultaneously, other FMLN forces attacked the strategic town of Jiquilisco, on the coastal road in Usulutan Department, a very important highway for cargo transportation. Meanwhile, Salvadoran army troops began a counterguerrilla offensive near the Cerron Grande and 5 November dams, in Chalatenango, which are under constant rebel attack.

Latest Guerrilla Actions

PA240232 Havana International Service in Spanish 1600 GMT 23 May 83

[Text] Radio Venceremos has reported heavy fighting in Gualache Canton, Usulutan Department, where FMLN guerrilla forces annihilated a unit of the Salvadoran Army. The clandestine station also stated that the rebels control a large portion of the highway between Santiago de Maria and Usulutan, and reiterated that the rebel forces have inflicted 655 dead and wounded on the dictatorship's troops during the last weeks. In its latest broadcasts, Radio Venceremos is urging the officers and soldiers to desert from the army's ranks and not to risk their lives for the Salvadoran oligarchy.

Radio Farabundo Marti has reported that rebel groups inflicted many casualties on a military convoy on the highway from Santa Ana to San Pablo Tacachico, in the western area of the country.

NICARAGUA

U.S. ENVOY TO MEXICO MEETS WITH HENRY RUIZ

PA210415 Managua Radio Noticias in Spanish 1200 GMT 20 May 83

[Excerpts] John Gavin, U.S. ambassador to Mexico, arrived yesterday on a surprise visit to Nicaragua. Gavin, like Reagan, was a movie actor. He met with Planning Minister Henry Ruiz. Anthony Quainton, U.S. ambassador to Nicaragua, also participated in the meeting.

During the meeting, Commander Ruiz reported on the U.S. administration's harassment that the Nicaraguan revolution is experiencing. Ruiz showed economic figures of the Nicaraguan situation and said that after 4 years the revolution can work based on tangible results.

Regarding the political definition of the revolution, Henry Ruiz said the desire to build a people's democracy exists. We are anti-imperialists, we have a policy of guarantees and pluralism, and we establish relations with any country without previous conditions, he added.

Regarding the counterrevolutionary activities, Commander Ruiz admitted that now the great landowners whose properties have been confiscated by the government are naturally organizing and financing counterrevolutionary bands.

On the subject of the elections, Ruiz said that they will not solve every problem but they will be held here in 1985. The opposition has had and continues to have an active participation, and they are members of the State Council. He said that a positive opposition is good for helping correct our faults and mistakes. The meeting was held in a cordial atmosphere and was termed as a courtesy visit by ambassador and former movie actor John Gavin.

WASHINGTON POST INTERVIEW WITH NUTTING REPORTED

PA231536 Managua Radio Sandino Network in Spanish 1300 GMT 23 May 83

[Text] Washington -- General Wallace Nutting, chief of the U.S. Army Southern Command, has said that the United States must be prepared to use troops in El Salvador because Central America is at war and the guerrillas are winning the psychological war. In statements published on the front page of the WASHINGTON POST, Nutting stressed that the United States has not done what was required and expressed frustration at the end of his 4-year tour in Panama.

The newspaper says that Nutting, who commands 9,000 soldiers stationed for the defense of the Panama Canal, manages the distribution of U.S. military aid to the Salvadoran Government and supervises the work of the U.S. advisers in El Salvador and Honduras. I could not say now if 150, 500 or 1,000 U.S. military advisers would be enough, he remarked and added that the assistance is minimal compared to the $3 billion to $4 billion in aid that Israel receives annually.

Nutting Statement Criticized

PA240311 Managua Radio Noticias in Spanish 1200 GMT 23 May 83

[Station commentary]

[Text] Here is another statement that must place Nicaraguans on the alert: The commander of the U.S. Armed Forces in the Panama Canal area has stated that Reagan should be given a free hand on Central American problems. These are the guys who want to solve our problems through force.

This newscast reports: General Wallace Nutting, commander of the U.S. Armed Forces in the Panama Canal area, has said that what is necessary to solve the Central American crisis militarily has not been done yet.

Nutting criticized the measures applied by President Reagan, alleging that the guerrillas will continue to win the psychological warfare until the United States shows that it is willing to apply the final solution.

General Nutting is an open advocate of giving Reagan a free hand in Central America and of increasing the number of U.S. advisers in El Salvador. Nutting made this statement to THE WASHINGTON POST and criticized the U.S. Congress because of the restrictions it has placed on the military options of the Reagan government. The statement by this U.S. military chief may be a prelude to more interventionist measures.

HUMBERTO ORTEGA ON CONTINUING AGGRESSION THREAT

PA240306 Managua Radio Noticias in Spanish 1200 GMT 23 May 83

[Text] There is a latent threat of a greater aggression. The struggle may turn more complex if imperialism achieves its goal of provoking a war between Nicaragua and Honduras, Commander of the Revolution Humberto Ortega said yesterday in an event to honor members of Reserve Battalion 50-10. Ortega emphasized that the preparations for an invasion from Honduras are continuing. He spoke to members of this battalion who were demobilized from mountains in the northern region where they had fought against counterrevolutionaries for 6 months.

The event was held in Apanas, Jinotega, where the best militiamen received awards. Ortega's statement that the plans for an attack on Nicaragua are continuing coincided with remarks by CIA Director William Casey, who said that the counterrevolutionaries would continue their attacks on Nicaragua in the next few months.

NEW YORK TIMES CITED ON ENDERS, CASEY STATEMENTS

PA232054 Managua Radio Noticias in Spanish 1200 GMT 23 May 83

[Text] The NEW YORK TIMES has made new revelations about counterrevolutionary activities backed by the CIA.

The counterrevolutionaries who operate from bases in Honduras and Costa Rica will step up their activities during the summer, The NEW YORK TIMES disclosed in one of its latest editions, quoting statements by CIA Director William Casey and Thomas Enders, a State Department official, at secret congressional hearings.

The two officials said that the counterrevolutionaries will drastically step up their warlike activities next summer. The NEW YORK TIMES' new revelations, which are based on statements made by these and other officials, once more confirm the links between the counterrevolutionary elements and the U.S. Government.

The newspaper also disclosed that, according to a Republican lawmaker, Casey and Enders gave full details about the activities that are to be carried out by the counter-revolutionaries in Nicaragua during the remainder of 1983.

CASUALTIES REPORTED IN CLASHES WITH REBELS

PA211412 Managua Radio Sandino in Spanish 0300 GMT 21 May 83

[Text] According to Capt (Bosco Centeno), chief of the border guard troops in the Rio San Juan area near Costa Rica, at least 60 counterrevolutionaries have been killed in clashes between Sandinist People's Army [EPS] troops and the criminal and invading bands of former Somozist guardsmen that enter Nicaragua from Costa Rica. (Centeno) added that in the course of 2 months, 6 Sandinist combatants and 15 peasants have been killed in these clashes by the murderous invaders.

Captain (Centeno) also announced that 35 counterrevolutionaries attacked an EPS patrol yesterday, as it was moving through the Papaturro River area. No casualties have been reported so far. Rifles and military equipment were recovered from these invaders of our southern border.

HAVANA CITES BORDER GUARD CHIEF ON CLASHES

PA212015 Havana International Service in Spanish 1600 GMT 21 May 83

[Text] Sixty counterrevolutionaries and six members of the Sandinist Peoples Army [EPS] have died as a result of clashes in the last 2 days in areas of Nicaragua near the Costa Rican border. Captain (Bosco Centeno), chief of the border guard troops in Rio San Juan Department, has charged that 12 Nicaraguan peasants were murdered by groups arriving from the neighboring country. He said that the EPS has seized more than 60 rifles, and other U.S. and Chinese supplies similar to those used by the former Somozist guards who operate from Honduras.

Centeno said that on Thursday, some 35 counterrevolutionaries attacked a military patrol at the border post of Papaturro, 40 km southwest of San Carlos, the capital of Rio San Juan Department. The Nicaraguan captain reported that between 1,000 and 1,500 anti-Sandinists are operating in the border area, using 8 camps in Costa Rican territory.

FOREIGN NEWSMEN AMBUSHED BY ANTI-SANDINISTS

PA232130 Panama City ACAN in Spanish 2057 GMT 23 May 83

[Text] Managua, 23 May (ACAN-EFE) -- A group of foreign correspondents representing various information media were ambushed today, Monday [as received], in northern Nicaragua by an anti-Sandinist band, the government press information directorate has reported. No further details were given on the ambush, but apparently the correspondents escaped unscathed, because it was reported that they returned to Managua this afternoon.

The correspondents caught in the surprise attack near Jalapa, 315 km north of Managua, included three from the TIMES [not further specified], -- one from THE WASHINGTON POST, a Spanish television team, a Frenchman, two Swedes, and a Bulgarian. No names were released.

'ANTICOMMUNIST SOLIDARITY' TROOPS ENTER COUNTRY

PA232209 Panama City ACAN in Spanish 2130 GMT 23 May 83

[Text] San Salvador, 23 May (ACAN-EFE) -- The self-styled Anticommunist Solidarity with Nicaragua organization has sent a communique to ACAN-EFE in this capital in which it announces that 283 "counterrevolutionaries from several South American countries" have entered Nicaraguan territory.

The note stated that they entered Nicaraguan territory through the Atlantic coast last Friday. The "Jordan, Bruno, Genta and Rodolfo Berdina columns are composed of 283 South American volunteers."

The anti-Sandinist note indicated that the column members "do not include South American armed forces officers, and that such officers do not train or support the anticommunist troops."

The communique is signed by Atilio Fernandez Prado, who is responsible for the "Information Committee" of the organization, whose headquarters, according to the letter sent to ACAN, is in Cordoba (Argentina), although the stamp on the envelope is Salvadoran.

ANTI-SANDINIST ATTACK REPORTED IN RIO SAN JUAN

PA232226 Managua Radio Sandino in Spanish 1830 GMT 23 May 83

[By special correspondent (Gabriela Selser)]

[Text] La Azucena, San Carlos, Rio San Juan Department (ANN) -- More than 120 counterrevolutionaries coming from Costa Rican territory yesterday launched a strong attack on this peasant town located some 20 km west of San Carlos, in Rio San Juan Department, which borders on Costa Rica.

Captain (Bosco Centeno), chief of the border guard troops, in this region, confirmed that as a result of clashes, which lasted about 6 hours, Sandinist combatants Mario Alberto Espinozo and Ramon Lopez Ramos were killed and two others were wounded. He also reported that three counterrevolutionaries were killed, including one of their leaders. The counterrevolutionaries' bodies were taken to the town square by the people of La Azucena. The terrorist leader, identified as "El Gato," had been carrying an FAL rifle; he also had a dogtag with the number 425.

(Centeno) said that the Sandinist troops are tenaciously pursuing the attacking band, which fled from the region after the onslaught. He also reported that while the attack was being carried out, another group simultaneously ambushed a Sandinist patrol in the area known as Los Chiles. As a result of this ambush, Sandinist soldier Vidal Morales Briceno was killed and four others were wounded.

CASUALTIES REPORTED IN ANTI-SANDINIST AMBUSH

PA240242 Panama City ACAN in Spanish 0156 GMT 23 May 83

[Excerpts] Managua, 23 May (ACAN-EFE) -- A total of 13 dead and 6 wounded is the result of an ambush laid by 100 anti-Sandinists against a caravan of vehicles in which 20 journalists -- who escaped unscathed -- were traveling in Jalapa, located 315 km north of this capital. The perpetrators of the attack Sunday afternoon sustained 11 dead, while the Sandinist Peoples Army sustained 2 dead and 6 wounded during a 90-minute clash.

The journalists who escaped the attack unscathed included Carmen Sarmientos, Luis Berraquero, Juan Velasquez and Jose Fernandez of Spanish television; Henry Talblott, Henry Muller and S. Duna of TIME magazine of New York; and Karen de Young of THE WASHINGTON POST. The people in the caravan of eight vehicles, two of which were damaged, were going from Jalapa to the airport of that city to return by air to Managua, after covering a tour of the members of the Junta of Government of National Reconstruction in the northern part of the country.

Manuel Espinoza, director general of the Directorate of Dissemination and Press of the Junta of the Government of National Reconstruction, who also escaped the ambush unharmed, said that during the action there had been no more deaths because of the "proper response" of the army to the anti-Sandinists, and in view of the attitude of the newsmen, who heeded the instructions given to them in combat courses by hitting the ground after leaving the vehicles.

Journalists of the Sandinist newspapers BARRICADA and EL NUEVO DIARIO of Managua, government house television teams, and other European media representative were also traveling in the caravan. Captain Roberto Sanchez, chief of the Public and Foreign Relations of the Defense Ministry, was wounded in the ambush by shrapnel from a mortar round.

VOICE OF SANDINO ON VICTORY AT EL CORAL

PA211604 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 21 May 83

[Text] The Augusto Cesar Sandino Operation was a resounding success. To commemorate the 88th anniversary of General Sandino's birth, our military forces carefully planned a bold operation that was vitally important to our struggle.

The operation, named after our general of free men, consisted of a surprise attack on the garrison at El Coral, a veritable military fortress on our Atlantic coast held by the traitors.

El Coral, which is located a very short distance from Nueva Guinea, received intense fire from our rifles and bazookas on the very day that General Sandino was born, in honor of his name and his heroic quest for freedom, which is a source of inspiration for our struggle.

Commander Eden Pastora personally directed this victorious operation, during which our glorious military forces reduced the fortress to ashes. El Coral was first rendered a military fortress for the army of occupation because it is in an area of agricultural importance; it remained one because of the massacres of peasants perpetrated there and the extermination of the Indians that live along our Atlantic coast. El Coral was also the site where they kept equipment to build roads that would permit the use of Soviet tanks in the area to pursue the rebels more efficiently.

This fortress was completely destroyed by two of our columns in the course of an 18-minute operation, at the end of which our fighters withdrew without a single casualty. Due to the swiftness of the attack and the nearly total destruction of the enemy objective, we cannot estimate the number of enemy casualties. We do know, however, that there were many.

We also recovered a great number of weapons and much ammunition, as well as important military documents. Our forces withdrew after staging this operation, penetrating even deeper into the nation's territory, in order to continue striking the traitors and to (?further) consolidate our positions in southern Nicaragua.

During this withdrawal, an invading army patrol managed to ambush one of our commands, the very one led by Commander Pastora. troops from the invading army's 9th Infantry Battalion managed to surround our companeros, but after an exchange of fire our forces, led by Commander Eden Pastora Gomez, evaded the communist encirclement and left, without sustaining a single casualty, to continue their advance in the struggle for the democratic recovery of the Nicaraguan revolution.

Our fighters continue to demonstrate their unparalleled high moral, while our people continue to bestow their confidence and solidarity upon us. We are penetrating further into our homeland and into the people's hearts. In cooperation with the people, we are defeating the traitors. It is for these people that we are fighting. Onward, Nicaraguans, for the homeland is on fire! Viva the Democratic Revolutionary Alliance!

ROBELO ECHOES PASTORA'S 'SOS' TO THE WORLD

PA202218 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 20 May 83

[Excerpts] Alfonso Robelo has supported Commander Eden Pastora's statements to international journalists. In San Jose, Alfonso Robelo, Democratic Revolutionary Alliance [Arde] political leader, spoke cautiously. He unwaveringly supported Eden Pastora's demands, made from the mountains to the entire world and protesting a lack of aid in arms and other resources. However, he pointed out that in fact, Pastora's men are already an important belligerent force, although they lack sufficient resources. It is paradoxical, the 43-year-old Robelo pointed out, that we should be asking for rifles for peace. He warned that the time has come for the big democratic powers to stop committing the grave error of trying to create puppets, instead of democratically stable, independent allies.

Robelo said that he is trying to awaken people's awareness in order to get more significant international support, because he believes that no other organization has as good internal leadership as Arde. Robelo thinks this is due to the revolutionary, although not communist position upheld by the members of the movement.

While the USSR and its satellites such as Cuba under Fidel Castro, or Libya under Mu'ammar al-Qadhdhafi arrange laws to suit their convenience, and are not subject to any controls, the Western democracies are terribly bureaucratic, Robelo said. In Moscow, Havana, and Tripoli, according to Robelo, there is no Senate, Congress or public opinion to criticize, hinder or control certain types of aid. He specifically mentioned Cuba, a country that has 8,000 militarily trained men in Nicaragua, all of whom are not soldiers. Some are identified as agrarian reform technicians.
He also touched on the case of Al-Qadhdhafi and the clandestine arms shipment to Managua, discovered in an alleged medications shipment. Control continues in democracies and this limits the efforts of movements such as the one he leads.

Nevertheless, he said, some support has been received and our efforts will continue because at times the political struggle is more important than the military one.

Robelo expressed 100-percent support for the SOS that Commander Pastora sent out to the world, especially, he said, because it points out to democrats that Nicaragua has revolutionary forces that are not linked to the past, forces that want to topple the Marxist-Leninist regime. This would be a historic deed, he said. He gave a detailed report on the support and the combativeness shown by the people at this time, while the government forces are discouraged. They do not fight and, just as in past struggles, they are almost confined to the cities. They do not leave their garrisons. The problem, he insisted, is weapons; conditions must change. We are engaged in a process without vengeance in our hearts. We would like to reorganize and reunify the Nicaraguan family, and demilitarize [words indistinct] in the country, he said.

COSEP MEMBERS TO REPRESENT EMPLOYERS AT ILO

PA231901 Managua Radio Sandino Network in Spanish 1300 GMT 23 May 83

[Text] The Higher Council of Private Enterprise, COSEP, will represent employers at the ILO at the request of the National Union of Farmers and Cattlemen, UNAG.

Within the spirit of national unity, UNAG has proposed to the Labor Ministry that COSEP represent Nicaraguan employers at the 65th ILO meeting to be held in Geneva 1-22 June.

This was reported by UNAG President Wilberto Lara, who said that following this step toward understanding and unity, the employers representatives are expected to outline our country's problems in a critical manner and to delve into their roots and causes, especially in the field of production, when the subject is raised.

The UNAG president said that the government approved the suggestion and has already appointed the delegation, which is made up of the following: (Orestes Romero) of the Chamber of Commerce; Mauricio Lacayo, executive secretary of the Association of Cotton Growers of the East; UNAG President Wilberto Lara, technical adviser; and (Gilberto Alfredo Lopez Palma), president of UNAG's branch in Rivas. Lara said that all the aspirations and concerns of the sector that the commission will represent are expected to be met this time.

GDR, USSR TO DONATE FUNDS FOR EDUCATION

PA231554 Managua Radio Sandino Network in Spanish 1300 GMT 23 May 83

[Text] The GDR will donate $1 million and provide technical assistance for the technical institute in Jinotepe, which will begin operating in 1984. Meanwhile, the USSR will donate $11 million to the Nicaraguan Government for investment in the purchase of laboratory equipment for several of the country's secondary schools.

According to an Education Ministry spokesman, some of the schools that will benefit from the equipment are the Nicaraguan Energy Institute [Instituto Nicaraguense de Energia] in Managua, the polytechnical institute in Leon; the technical mining institute in Bonanza, on the Atlantic coast; and the agroindustrial technical school that will operate in Cebaco, Matagalpa Department.

MINISTER SIGNS TRADE AGREEMENT WITH ALGERIA

PA232241 Managua Radio Sandino in Spanish 1830 GMT 23 May 83

[Text] Algeria and Nicaragua have signed a trade agreement that will increase exchanges between the two nations. The agreement was signed in Algiers by Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca, and Algerian Secretary of State for Foreign Trade Ali O'Bouzar.

The Nicaraguan delegation is participating inthe International Fair of Algiers, which includes the participation of many nations from Asia, Africa and Latin America.

HAVANA CITES WHEELOCK ON SUGAR SALE TO IRAN

PA210440 Havana International Service in Spanish 0000 GMT 21 May 83

[Text] Commander Jaime Wheelock Roman, agricultural development and agrarian reform minister, reported that the total sugar production of the (?Resukata)-Malacatoya Sugar Mill has been sold to Iran. The sugar mill, located some 60 km from Managua, will begin operating on 1 November next year. It will have an annual production capacity of 125 metric tons.

Wheelock said that the five state-owned sugar mills will be modernized to increase the country's production which will be sold on the international market. Wheelock added that the 53,000 short tons of sugar the United States cancelled from the Nicaraguan sugar quota will be sold to other countries.

COMMUNIST WEEKLY ADVOCATES PRESS FREEDOM

PA230324 Panama City ACAN in Spanish 0014 GMT 23 May 83

[Text] Managua, 22 May (ACAN-EFE) -- The AVANCE weekly of the Communist Party of Nicaragua has declared that "to solve the problems of the country peacefully, it is necessary to have freedom of the press."

The Marxist-leaning press organ stated that "the emergency law must be readjusted," and freedom of expression must be guaranteed so that the people can participate in understanding and solving the problems of the Nicaraguan revolution. According to issue No 57 of the Nicaraguan communist weekly, there is "a certain level of confusion and fatalism," and to solve that problem "it is necessary to have freedom of the press."

FINANCE MINISTER COMMENTS ON TAX REFORMS

PA220448 Managua BARRICADA in Spanish 17 May 83 p 5

[Text] Nicaraguan Finance Minister Joaquin Cuadra yesterday gave a detailed explanation about the significance of the tax reform that led to the creation of the tax on net worth [impuesto sobre el patrimonio neto] and the amendments and additions to the income tax law. The two laws were published in the Official Gazette on 10 and 11 May, and represent an important step in the tax reform process, of which he gave the following explanation: "The revolutionary government could not be lax, within its plans for a mixed economy, concerning taxes. Taxes can fulfill a role in helping to distribute even better the country's income and riches, in two ways:

"Collecting revenues from the profits produced by trade and production activities helps finance health, housing, education, and other projects, as well as covering the costs of subsidizing food and medicine -- all of which are intended to strengthen the workers' actual salary. Also, revenues are collected from properties or persons with the biggest incomes so that they may contribute to those in the country who have fewer resources."

Cuadra also explained that following the revolutionary victory the government left in effect the archaic taxes on real estate and property, but also issued a law for patriotic contribution, in order to offset the expenses incurred in the national reconstruction. The tax covered the property of both national citizens and foreigners.

Cuadra explained that it was then established that net worth would comprise both properties in Nicaragua and abroad (since it had been ascertained that the property abroad was bought with profits obtained in Nicaragua.) The same does not apply to foreigners; they pay taxes for their property in Nicaragua but not for property they have abroad, because this "would be irrational and incomprehensible," he said.

Cuadra pointed out that the new law on net worth will replace the temporary emergency laws and the archaic laws on property values. The law carefully establishes the concept of net worth by stating the difference between the taxpayers' assets and liabilities.

Referring to assets, he analyzed Article No 5 of the law, which tells how to assess the various assets, and includes other regulations on delimiting property. To calculate assets, Article No 3 establishes types of property that are not considered as part of the assets, for social or economic reasons, even though they sometimes represent considerable amounts of money:

The article lists furniture and household effects, including electrical appliances and recreational games; vehicles maintained exclusively for personal use; instruments, equipment and tools used by artisans and workers; books and other printed matter, libraries and noncommercial archaelogical collections; personal clothing; and machinery used for agricultural activities.

The article also includes -- and this is important -- savings accounts and fixed-term deposits in the national finance system and the bonds or securities of this system, if the deposit date or the bond's date is at least a month prior to the date when the tax becomes effective. Cuadra explained that this is intended to encourage savings, thus allowing the money to help stimulate the system's investments in the national development programs. Generally speaking, it seeks to encourage savings.

Cuadra make it clear, however, that measures will be taken to prevent chiselers from making deposits every 6 months so that they later appear as to have been made on 29 June, thus evading taxes. That is why it is required that the deposit have been made at least a month before filing an income tax form.

The law establishes a general rule for liabilities, in that only deductions for domestic debt -- defined as debt that is guaranteed with mortgages or collateral located in Nicaragua, or with mortgages or collateral whose owner lives in Nicaragua -- are permissible. There are exceptions, however, and Cuadra explained them: Foreign credits are acceptable as deductions in certain cases. Other liabilities that are not admissible as deductions are those debts undertaken to purchase or to improve property that is not registered as an asset. An example would be personal vehicles that are registered neither as assets nor as liabilities. The law on net worth also establishes obligations both for Nicaraguans who owe foreigners and for those who owe other Nicaraguans. One of these obligations is to withhold the tax that the creditor must pay on accounts that are transferred on credit.

The law also establishes that estates, owners or anyone who is directly involved in administering or overseeing property owned by foreigners in Nicaragua are required to withhold the necessary tax. It also establishes a 1 percent tax on the net value of houses lived in by their owners. Cuadra said that the first payment on this tax will be made next October.

Referring to the reforms to the income tax laws, Cuadra said that changes had been made in the tax percentages to be paid, the object being to encourage the productive sector. Thus, commercial organizations will now pay 40 percent of their taxable income, representing a 5-percent increase over their previous percentage. To compensate for this, the percentage for farms and livestock producers (previously 40 percent) has been lowered to 35 percent. Likewise, in an effort to encourage agrarian and livestock processing firms that produce 70 percent or more of their own raw materials, they will have to pay only 37.5 percent, while the general rate for corporations is 40 percent. As an example, Cuadra noted DELMOR, a plant that processes pork products. If the plant produces 70 percent of the pigs to be slaughtered, it will have to pay only 37.5 percent of its taxable income. If it produces less than 70 percent, however, its tax percentage will be 40 percent.

Another important reform reported by Cuadra involves those citizens whose only income is their salary, because they will no longer have to file an income tax report. In this case, their employers will each submit an overall report, which will save the Income Office the work of processing thousands of tax forms that can be consolidated into a few.

FOREIGN MINISTER RECEIVED BY POLISARIO LEADER

FL231332 Havana Domestic Service in Spanish 1000 GMT 23 May 83

[Text] The president of the Saharan Arab Democratic Republic, Mohamed Abdelaziz, has received Cuban Foreign Minister Isidoro Malmierca, member of the Central Committee of the Communist Party, in solemn audience. The audience, which took place in liberated Saharan territory, was the occasion for handing a congratulatory message to President Mohamed from Comrade Commander in Chief Fidel Castro on the occasion of the commemoration of the 10th anniversary of the armed struggle in Western Sahara.

Mohamed Abdelaziz, who is also secretary general of the Polisario Front, expressed thanks for the message from Commander in Chief Fidel Castro and asked Malmierca to convey his greetings to the chief of the Cuban revolution and all the Cuban people as well as a fraternal message from the leaders and the people of the Saharan Arab Democratic Republic.

FOREIGN MINISTER LEAVES PARIS FOR NEW YORK

FL231810 Havana Domestic Television Service in Spanish 1700 GMT 23 May 83

[Excerpt] Cuban Foreign Minister Isidoro Malmierca left France for New York today to participate in the UN Security Council's special meeting on Namibia. The examination of the situation in that territory, illegally occupied by South Africa with support from the United States, will be conducted in response to the request made by the heads of states and governments who participated in the seventh summit meeting of the Nonaligned Countries Movement held in New Delhi recently.

The Cuban foreign minister, who is also a member of the Central Committee of our party, was in Paris in transit from the Saharan Arab Democratic Republic, where he attended the commemoration of the 10th anniversary of the beginning of the armed struggle for the national liberation of the Saharan people.

VICE FOREIGN MINISTER GIVES INTERVIEW IN MADRID

FL231800 Havana Domestic Television Service in Spanish 1700 GMT 23 May 83

[Text] Cuban Vice Foreign Minister Ricardo Alarcon stated in Madrid that Spain plays an important role in the search for a solution to the conflict in Central America. During an interview granted to the Spanish morning paper El PAIS, the Cuban official pointed out that the role of that country, aimed at achieving peace in Central America, may attain greater importance in the future.

Regarding relations between Cuba and the United States, Alarcon stated that Washington is not willing to dialogue with our country on the basis of respect for Cuban sovereignty. The United States maintains an aggressive attitude towards Cuba, a policy of hostility and blockade. On this basis, it is impossible to hold a dialogue, Alarcon stressed.

CARLOS RAFAEL RODRIGUEZ DECORATED BY USSR

FL231224 Havana Domestic Service in Spanish 1045 GMT 23 May 83

[Text] Carlos Rafael Rodriguez, member of the Politburo of the Cuban Communist Party and vice president of the Councils of State and Ministers, has been decorated in Moscow with the Order of the October Revolution. A decree issued by the Presidium of the Supreme Soviet of the USSR says that the high distinction has been conferred upon Carlos Rafael because of his great merits in the development of fraternal friendship and multifaceted cooperation between the Soviet Union and Cuba. It adds that the order has also been conferred upon him on the occasion of his 70th birthday.

BASIC INDUSTRIES DELEGATION VISITS MOSCOW

FL231531 Havana Domestic Service in Spanish 1422 GMT 23 May 83

[Textq Nikolay Ryzhkov, secretary of the CPSU Central Committee, today received a Cuban Communist Party delegation presided over by Eugenio Mainegra, head of the Basic Industries Department.

During the meeting, several subjects were discussed which are of interest for the future development of Soviet-Cuban cooperation, particularly in the field of energy conservation and recovery of spare parts. The delegation was accompanied by Cuban Ambassador to the USSR Rene Anillo Capote and Minister-Counselor Luis Felipe Vazquez.

The Cuban delegation expressed its gratitude for this opportunity for the useful exchange of experiences, during which they have visited research institutes and industrial enterprises in Leningrad and Kiev and also had meetings with ministerial representatives in Moscow.

FRENCH TRANSPORTATION MINISTER MEETS WITH GARCIA

FL232010 Havana Domestic Service in Spanish 1700 GMT 23 May 83

[Text] French Minister of Transportation Charles Fiterman was received by his Cuban counterpart, Guillermo Garcia, who is a member of Cuba's Communist Party Politburo, at the main offices of the Transportation Ministry. After welcoming the French minister, Guillermo Garcia briefed the visitor and those accompanying him on the development and future of transportation in Cuba in general.

Charles Fiterman expressed gratitude for the hospitality accorded him by the Cuban authorities. He referred to his country's technological development in the field of transportation, especially in the railroad sector. He highly valued the broadening of relations between the two governments. The French transportation minister noted that new conditions are being created to broaden relations further and maintain a higher degree of cooperation between the two countries. This, he said, is demonstrated by various reciprocal visits of ministers and officials of the two governments. For example, he said, I am the third French minister to visit Cuba. Finally, referring to the new Havana-Paris air route, he stressed that it will make possible a greater racprochement and increased trade between the two nations.

The French minister will visit various places of interest in our capital related to the transportation sector.

FRIENDSHIP TREATY WITH VIETNAM TAKES EFFECT

FL201309 Havana Domestic Service in Spanish 1000 GMT 20 May 83

[Text] The Cuba-Vietnam 25-year friendship treaty took effect Thursday, when the ratification instruments were exchanged by the two countries in a ceremony held in Hanoi.

The treaty had been signed in Havana on 15 October 1982 by Fidel Castro, first secretary of Cuba's Communist Party and president of the Councils of State and government, and Truong Chinh, member of Vietnam's Politburo and chairman of the State Council, on the occasion of the official, friendly visit paid to Cuba by the latter.

Vietnamese Vice Foreign Minister Ha Van Lau and Cuban Ambassador to Vietnam Faure Chomon exchanged the ratification instruments. Ha Van Lau noted the coincidence of this ceremony with the 93d anniversary of Ho Chi Minh's birthday and the 88th anniversary of Jose Marti's death in combat.

BILATERAL AGREEMENTS SIGNED WITH ANGOLA

FL201349 Havana Domestic Service in Spanish 1000 GMT 20 May 83

[Text] In a ceremony held in Luanda, Cuba and Angola have signed agreements to reinforce bilateral cooperation in the forestry and agricultural sectors. This is part of the recent agreements signed there by party and governmental delegations.

In the forestry sector, Cuba will help the People's Republic of Angola in the exploitation, marketing, and utilization of the rich resources of Cabinda Province. At the same time, Cuban specialists will also work in the reforestation of Cabinda, the southernmost Angolan province.

SOVIET-ANGOLAN COMMUNIQUE ISSUED IN MOSCOW

FL202115 Havana Domestic Service in Spanish 2014 GMT 20 May 83

[Excerpt] The Soviet-Angolan joint communique released in Moscow today highly valued the role of the Cuban internationalist forces that are in Angola to help guarantee the security of that country under the existing threats of foreign aggression. The communique rejected U.S. and South African attempts to link the Namibian problem to the withdrawal of the Cuban military contingent. The USSR gave its staunchest support to the Cuban-Angolan declaration of 4 February 1982 on the presence of Cuban troops in Angola. The communique, issued in Moscow on the occasion of a friendship visit by Angolan President Jose Eduardo dos Santos, expressed satisfaction with the bilateral cooperation between the two countries.

VIETNAMESE-ANGOLAN COMMUNIQUE DENOUNCES U.S.

FL202005 Havana Domestic Service in Spanish 1816 GMT 20 May 83

[Text] In Luanda, the Vietnamese Communist Party [CPV] and the MPLA [Popular Movement for the Liberation of Angola] Labor Party of Angola condemned the U.S. arms race, which has brought mankind to the edge of a nuclear catastrophe.

A communique released today at the conclusion of a 1-week visit by CPV Central Committee member Bui Quang expressed the two sides' support for the Soviet Union's peace initiatives. The communique denounced U.S. attempts to link the Namibian decolonization process to the presence of the Cuban internationalist soldiers in Angola, where they are defending Angola's sovereignty and territorial integrity. The communique signed by the Governments of Angola and Vietnam also repudiated U.S. policy towards Indochinese countries.

CEMA MEETING ON FERTILIZERS, MINERALS OPENS

FL231752 Havana Domestic Television Service in Spanish 1700 GMT 23 May 83

[Text] The 14th session of the Council of Representatives of the CEMA Coordination Center for fertilizers and minerals was opened in Havana this morning in the presence of Miguel Rodriguez Mayea, agriculture vice minister of development and technical services, who welcomed the delegates. The meeting is attended by the Soviet Union, the GDR, Czechoslovakia, Hungary, Poland, Romania and Cuba. The development of the 5-year research plan will be examined. The meeting, which is the first of its kind to be held in this country, will continue until Friday, 27 May, when a protocol will be signed containing the main agreements reached in this important branch of socialist agriculture.

EXILE IN PARIS ALLEGES HARASSMENT BY EMBASSY

NC191538 Paris AFP in English 1530 GMT 19 May 83

[Text] Paris, May 19 (AFP) -- Cuban dissident poet Armando Valladares, who arrived here last October after spending 22 years in Cuban jails, today said he had been threatened by the Cuban Embassy in Paris. The threats followed his co-foundation here this week of an organisation calling itself the International of the Resistance against Totalitarianism. Mr Valladares was freed by the Cuban authorities last October on a request by French President Francois Mitterrand. Mr Valladares had repeatedly claimed from his prison cell in Cuba that he had become paralysed through ill-treatment in jail. He said that a person claiming to work for the Cuban Embassy in Paris called him by telephone on Monday following the creation of the international and threatened to publish proof about the author's paralysis unless he dropped his "counter-revolutionary activities". In another anonymous call, a person threatened to distribute film clips showing him exercising in prison, Mr Valladares said.

PINAR DEL RIO PARTY FIRST SECRETARY APPOINTED

FL192001 Havana Domestic Service in Spanish 1802 GMT 19 May 83

[Text] Alternate Central Committee member Orlando Lugo Fonte has been appointed first secretary of the party in Pinar del Rio, replacing Jaime Crombet, who was appointed member of the Secretariat by the Politburo to be responsible for basic industry, consumption and services. During an extraordinary meeting of the Provincial Assembly of the People's Government today, Lugo Fonte was relieved of his post as president of that body. The same session appointed Emilio Pimienta Veloz, who had been filling the post of assembly vice president, president of the Pinar del Rio provincial government body. Speaking to the assembly, Lugo Fonte said he joyously accepted this new mission and would continue to work with the people, party, and government to continue scoring triumphs for the homeland and socialism.

BARBADOS

ADAMS BLAMES TRINIDAD FOR CARICOM PROBLEMS

FL231634 Bridgetown CANA in English 1648 GMT 22 May 83

[Text] Bridgetown, Barbados, May 22, CANA -- The Caribbean Community (Caricom) has managed to get stalled trade going again, but if recent remarks by Barbados' Prime Minister Tom Adams are anything to go by there still remain obstacles to the smooth functioning of the 12-nation grouping.

Prime Minister Adams discussed Caricom's difficulties in relation to Barbados when he addressed a ruling Barbados Labour Party (BLP) constituency branch meeting. He was particularly hard on the attitude of Trinidad and Tobago on the question of its trade relations with Barbados.

He indicated that Barbados holds Trinidad and Tobago responsible for its having to seek a 47.2 million dollar (U.S.) aid agreement with the International Monetary Fund (IMF).

In fact, according to Mr Adams, if Barbados could have recovered the more than 100 million dollars owed it under the Caricom Multi-Lateral Clearing Facility (CMCF), the island would probably have ended its controversial IMF programme in April.

"...Perhaps if we had been able to get our money out of Caricom, we would never have needed to consider the liquidity problem and to consider solving it through going to the IMF," Mr Adams said. "We would probably have ended our programme at the end of last month with the IMF, were it not for the fact that we could not get our 130 million dollars (one Bds dollar: 50 cents U.S.) out of the Caricom payments facility."

The facility is an inter-governmental credit arrangement for facilitating intra-regional trade payments, whose operations were suspended last March after it had exceeded its 100 million U.S. dollar ceiling. Under this scheme, governments are expected to clear their credit twice yearly.

"What I am saying is that the Trinidad Government, in particular, has shown an exceptional insensitivity to Barbados' payments problems within the Caricom payments facility," Mr Adams said.

He added that the reason why Barbados has been in difficulty recently was that the Trinidad Government has continued to supply petroleum products through the facility to Guyana when Guyana was unable to pay for those products through the facility. "Guyana was therefore allowed to build up a very large debit with the facility which eventually broke the facility, so the facility had no money and was unable to pay Barbados," he charged. He added: "I do not object to the Government of Trinidad helping the Guyanese -- the Guyanese need help -- but all along, we have argued that if you want to help a man, help him out of your own pocket, don't help him at the expense of a third party."

Mr Adams said Barbados has never been able to persuade the Trinidad Government that its policy of continuing to supply petroleum to Guyana without insisting on payment was a policy that was not damaging to Trinidad; in the end, it was only damaging to Barbados.

"When we take this against the background that the Trinidadians refused to allow us to buy oil through the facility, so we couldn't even run down our credit by buying reformate or whatever they had to offer, and that monies which they had promised to Guyana to allow the Guyanese to buy their oil -- they were going to lend Guyana money to enable Guyana to buy Trinidad oil -- they withheld from Guyana because we had an agreement with Guyana that that money would come straight to us," Mr Adams said.

He added: "When you consider that all those things have also been in the minds of the government for the last 12 months, you will see some of the difficulties that led us eventually to the IMF."

Mr Adams underlined the vital nature of free trade in the region, pointing out that the amount of foreign exchange earned annually by the community "...is far greater than any amount which we could possibly want to borrow from the IMF..."

"...Our own technology, the acquisition of skills for our people, management skills as well as physical production skills, have been enhanced as a result of Caricom," he said. The prime minister added that the trading opportunities, particularly with Trinidad and Tobago "...are perhaps more vital to the economic wealth of Barbados than our trading relationships with any other country."

He referred to the recent intra-regional trade impasse, sparked off by Jamaica's introduction of a dual currency exchange rate system, which led to retaliatory measures by Barbados, Trinidad and Tobago and Antigua and Barbuda. Barbados floated its currency against the Jamaica dollar, while the other two states imposed licensing regimes on all Caricom imports into their markets. The impasse helped to underscore the fragility of Caricom, a fact alluded to by both Adams and Jamaican Prime Minister Edward Seaga after a mini-summit of the countries affected by the trading problem reached a solution here.

Adams told his party supporters that at next month's meeting here of the Caricom foreign ministers, or possibly at the next heads of governments summit which follows in July in Trinidad, he will put with some force Barbados' position vis-a-vis the future of trade.

It was acknowledged by all the states that the destruction of Caricom seemed inevitable had a solution not been reached. Said Mr Adams of the crisis: "We had a very great fright."

The Barbados prime minister said it will be necessary to review the Caricom Treaty and the trading arrangements when the heads of government meet "to make sure that competitive and unfair devaluations, unfair licensing practices, unfair disobedience of the rules of origin and so on, do not again present a threat to Caricom."

He said that there was no doubt that the two greatest beneficiaries of Caricom have been Trinidad and Tobago and Barbados. "We have the best developed manufacturing sectors, we have economies which can take advantage of adequate trading arrangements and adequate access to markets," he said. "I, therefore, hope to be able to persuade the Trinidadians that it cannot be in their interest to choke off Caricom trade in the future."

Adams said he had first heard of the Trinidad plans to set up a licensing regime from Prime Minister George Chambers himself. "He telephoned me one afternoon and told me that he was going to make an announcement, I think the next day, in the Trinidad House, relating to the licensing policy of Trinidad," Adams said. "He gave me the assurance that Barbadian products would not be affected."

Adams said he believed the Trinidad and Tobago minister also spoke with his Barbadian counterpart Bernard St John and gave him a similar assurance. "Nonetheless, we were very distressed to hear that one of the very first licenses applied for by a Barbadian exporter was returned stamped: 'Refused. Try a local source'," Adams said.

He said that at first one heard that there were legal reasons why the Trinidadians could not, for example, refuse licences to Jamaica and grant them to Barbados. "And then, we began to get the feeling that the licensing system was designed as a protectionist measure of a sort which has not been seen before in the Caribbean, because Trinidad has no balance of payments difficulties in paying for imports from any country -- unlike Jamaica and Guyana which over the last few years, genuinely have not been able to import goods freely because they don't have the means to pay for them" he said.

The situation was worrisome to Barbados, since as Adams pointed out, Barbados exports, for example, 10 times as many garments to Trinidad "as they sell to us."

He said it was with a great sense of relief that he welcomed St Lucian Prime Minister John Compton's initiative to hold a meeting here "... and it was with a greater sense of relief that the problem was straithtened out despite (Prime Minister George) Chambers' non-attendance at the meeting."

CENTRAL BANK REPORTS ON INTERNATIONAL RESERVES

FL191127 Bridgetown CANA in English 2312 GMT 18 May 83

[Text] Bridgetown, Barbados, May 18, CANA -- Barbados' international reserves at the end of February were some 47 million dollars (1 Bdos dollar: 50 cents U.S.) up on the corresponding months in 1982, according to Central Bank statistics.

The Barbados Central Bank economic and financial statistics for April showed that foreign reserves for February stood at 191.5 million dollars compared to 144.5 million dollars last year.

However, this was 17.2 million dollars less than in January 1983 when the reserves stood at a record 208.7 million dollars.

Barbados' foreign reserves reached their previous all time high in April 1981 -- 192 million dollars. At the end of March Barbados' assets with the Caricom Multilateral Clearing Facility (CMCF) stood at 130.1 million dollars comapred to 52 million dollars for the same period last year.

According to the Central Bank report, Barbados' national debt also reached its highest level -- 315.8 million dollars -- in February this year.

The January figure was 291.5 million dollars, reflecting a 24.3 million dollar rise. Last year's correspondent figures were January 261.6 and February 262.3 million dollars

Ten years ago, the island's national debt for the first two months of 1973 stood at 55.4 and 42.7 million dollars respectively.

DOMINICA

CHARLES VIEWS REGIONAL INTEGRATION, CARICOM

FL211832 Bridgetown CANA in English 1758 GMT 21 May 83

[Text] Roseau, Dominica, May 21, CANA -- Dominica's Prime Minister Eugenia Charles has called for a re-examination of the regional integration movement and warned that an area of importance which will make or break it is the manner in which the lesser developed countries in the region are treated.

"Maybe the time has come when all of us politicians, organisations and people of the Caricom (Caribbean Community) region must re-examine our commitments, our consciences, our motivations and ask ourselves what really is Caricom and whether we want it to work," she said.

Charles told delegates to the Leeward Islands' convention of the West Indies Jaycees last night that recent developments within the integration movement demanded that kind of re-examination "if Caricom has to continue to exist and if it has to be made meaningful for the people of the Caribbean."

"Any re-examination of our consciences of the nature, present and future of Caricom must commence with the realisation... that Caricom is not a political federation," she said. "It is the fusion of politically separate entities working towards common goals on behalf of people with a historical and economic commonality of experience," the prime minister said.

She warned that it was the manner in which the region worked together to achieve the common goals being sought which would determine in the final analysis whether Caribbean integration had any chance of success.

Charles said that her statement concerning the regional integration movement must be appreciated against the backdrop of the urgent demand for economic development in a deteriorating international economic situation.

She said that the trade aspect of Caricom was of utmost importance, noting that events over the last five months, when Caricom trade reached an impasse, "cetainly bears me out on that point." Trade within the region came to a virtual standstill after Jamaica introduced a dual currency exchange rate system under which Caricom goods imported into Jamaica became more expensive. The issue was settled at a mini Caricom heads of government meeting Barbados this month.

Charles told the Jaycees: "It seems that it takes a crisis situation to force us to sit back and accept what we all ought to have known in the first instance." She asked whether the trade situation would have arisen "if we were accustomed to keep our commitments, honoured agreements and thought about others."

Charles said that the manner in which the Lesser Developed Countries [LDC's] were treated within the wider Caricom movement would determine whether the integration movement survived or not.

She said that the LDC's must adopt common positions and speak with a unified voice "if we are to take our rightful place within Caricom" noting that the time was opportune for discussing Caricom as heads of government of the organisation of eastern Caribbean states would meet here next week.

"If there is any bickering to be done let that be internal and let us deal with our more developed Caricom partners as one unit, otherwise we shall never be able to take full advantage of the special measures which are enshrined for us in Article 56 of the Common Market Annex to the Caricom Treaty," Charles said.

She noted that when Caricom was founded it was known clearly that the organisation had member states at differing levels of development and that the LDC's would need special measures which would accelerate their development and put them at par with their more developed partners. "Has this objective been realised, have the LDC's guaranteed and protected access to MDC (More Developed Countries) markets, have we seen the transfer of capital for financing equity participation particularly in medium sized industrial and tourism enterprises within the LDC's?" she asked.

She noted that another area which was of extreme importance and which did not receive the prominence which it ought to receive was functional co-operation: She made particular reference to education, transportation, health and noted [passage indistinct].

"If these areas were sufficiently developed and if we depended upon one another in those areas, we would have too much at stake to rock the boat as we did earlier this year," she added.

Charles said she hoped the forthcoming Caricom heads of government meeting in Trinidad in July will seriously address some of these issues, adding "the region can be said to have displayed a level of maturity by coming together to solve our trade difficulties."

"Let us hope that Caricom governments can indicate that this type of ability is not a flash in the pan and can show genuine maturity by coming together and resolving issues before they reach crisis proportions," the prime minister added.

GRENADA

PRIME MINISTER BISHOP PLANS VISIT TO U.S.

FL202330 St Georges Domestic Service in English 2300 GMT 20 May 83

[Text] Prime Minister Maurice Bishop has accepted an invitation to visit the United States. The invitation has been extended by Trans-Africa, a prestigious organization of Afro-Americans which promotes African and Caribbean interests, and by 22 members of the U.S. Congress who make up the congressional Black Caucus.

Both groups have said that they see this visit as an opportunity for Americans to hear directly from Grenada's head of government what the goals and aims of the Grenada revolution are, as well as to extend friendship, understanding, and solidarity to Grenada and its people.

In accepting the invitation, a PRG [People's Revolutionary Government] spokesperson said the revolutionary leadership of Grenada thanks Trans-Africa and the congressional Black Caucus and expressed admiration, respect, and support for all those who, in being associated with this invitation, demonstrate both friendship towards the Grenada revolution and commitment to improved U.S.-Grenada relations.

The visit is conceived as an opportunity to demonstrate Grenada's good will and neighborliness toward the United States. Prime Minister Bishop has stated that this visit is an opportunity to seek dialogue with all sections of U.S. society with a view towards the development of healthy relations between the two countries.

STUDY ON U.S. SABOTAGE OF IMF LOAN CITED

FL202340 St Georges Domestic Service in English 2300 GMT 20 May 83

[Text] The United States of America has been trying to sabotage Grenada's loan application to the IMF. A study conducted by a subcommittee of the U.S. Congress shows that the Reagan administration has brought political pressure to bear on the IMF so as to promote favorable consideration of loan applications from its allies and to block loans to governments it opposes.

The study showed that the Reagan administration had drawn up a so-called hit list which comprised Grenada, Cuba, Nicaragua, Vietnam and Afghanistan. Commenting in New York yesterday on the results of the study, Grenada's Ambassador to the United Nations Caldwell Taylor said it concerned and brought out into the open what Grenada had been saying all along. He recalled that some quarters had been reluctant to believe Grenada's charge that its application to the IMF had been adversely affected by political pressure from the United States.

Meanwhile, a senior official of the IMF has said that the fund is considering extending agreements with Chile, El Salvador and Jamaica, although these countries have failed recent IMF economic tests. The results of the recent study showed that the U.S. has been using its influence to secure favorable IMF terms for all three countries.

JAMAICA

SHEARER VOICES VIEW OF LOME ACCORD IN BRUSSELS

FL201920 Bridgetown CANA in English 1905 GMT 20 May 83

[Text] Kingston, Jamaica, May 20, CANA -- The African, Caribbean and Pacific (ACP) states when they negotiate with the European Community for a successor agreement to the existing Lome accord must successfully argue that any proposal for the revival of the world economy must simultaneously deal with the issue of money and finance as well as mechanisms for the expansion of trade with stable prices for commodity producers, Jamaica has said.

The Jamaican view was expressed by its foreign minister, Hugh Shearer in Brussels this week at an ACP conference prior to yesterday's opening of a joint ACP/EEC ministerial meeting there yesterday. Extracts from the Jamaican minister's speech have been released by the Foreign Ministry here.

"We must show that recovery cannot be achieved by any kind of withdrawal from the international system," the Jamaican foreign minister said. "We must remind our EEC partners of the interdependence of the international economic system, which has been emphasised by the nature of the current recession."

The Lome trade and aid agreement between the 10 EEC members and 63 ACP states was seen as a model for cooperation between developed and developing states when it was first signed in 1975.

But with the down-turn in the world economy Europe has been implementing fiscal and other measures which the ACP states argue run counter to the spirit and letter of the accord, and which deprive them of benefits.

The developing bloc is particularly concerned that Stabex, the price stabilising fund established by the EEC to cushion the effects of declines in commodity prices, has been unable to meet legitimate claims on it for a lack of resources. And a request for an additional 450 million (U.S.) dollars to meet the devastation commodity prices in 1980-81 was yesterday rejected by the EEC.

With negotiations to begin later this year for a new agreement to replace Lome 2 when it expires in 1985, this joint ministerial meeting could set the tone for those talks and its outcome will be watched closely.

Shearer, conscious of the delicacy and importance of the commodity price issue to the ACP bloc as well as their concern that there must be proper conditions to enhance their development, said that the EEC must be convinced that the present situation did not "result from any lack of intrinisic vitality of developing countries."

"...Any proposal to revive the world economy must simultaneously deal with matters of money and finance, conditions for the expansion of international trade and remunerative and stable prices for commodities to generate two-way trade between ACP and EEC countries," he said.

Shearer said that although the two previous Lome agreements had suffered difficulties, the ACP states should point to the fact that "the existence of such cooperation has shown the world that it is possible for developing countries to sit down with the most highly industrialised countries in the world and negotiate for tangible results."

BRIEFS

DAILY NEWS SHUTS DOWN -- Kingston, Jamaica, May 20, CANA -- The state-owned Jamaica "DAILY NEWS", whose operations were suspended a month ago, has now been formally shut down and its 114-member staff fired by receiver Ken La Cruise. Receiver La Cruise said in a letter to the national union (NWU) that his examination of the paper's financial position had confirmed his previous assessment that it was insolvent. A copy of the letter was made available to CANA today. [Bridgetown CANA in English 2224 GMT 20 May 83 FL]

UNION LEADERS RELEASED, STRIKE CONTINUES

FL201846 Bridgetown CANA in English 1739 GMT 20 May 83

[By Edwin Ali]

[Excerpts] Georgetown, Guyana, May 20, CANA -- More than 3,000 workers at Guyana's state-owned bauxite company here -- Guymine -- remained off the job for the second day running, bringing operations at Linden, the bauxite centre located 67 miles south of here, to a halt. President of the Guyana Mine Workers Union (MWU), Stephen Lewis, told CANA the strike, called yesterday to protest against a shortage of essential food items in the Linden area, continued today as a form of protest against the detention by police of 19 officers of the MWU and the Guyana Bauxite Supervisors Union (GBSU).

Police released the 19 late this morning on station bail, but they were told to report back to the station on Monday afternoon, Lewis said. No charges were laid against the men, he added. The strike is the second in a series being planned by the union to focus attention on the food supply situation in the mining town. With the continuation of the strike today, any resumption is not expected until Monday, as the working week begins on Monday and ends on Friday. There were no demonstrations today.

Lewis said the MWU Executive Council would hold a special meeting on Tuesday to discuss the entire situation. In a statement last night, the government accused a foreign embassy here on showing an active interest in the situation at the mining town. It did not name the embassy, but urged the workers not to take any action that would jeopardise Guymine's reputation as a dependable and reliable supplier of calcined bauxite and aluminium.

SHORTFALL IN FIRST 1983 SUGAR CROP REPORTED

FL191136 Bridgetown CANA in English 2222 GMT 18 May 83

[By Edwin Ali]

[Text] Georgetown, Guyana, May 18, CANA -- Reaping of the first of Guyana's two annual sugar cane crops has ended with production reaching 86,085 long tons -- a 14.7 shortfall on the 1983 pre-crop target of 100,879 tons, it has been officially announced here. The state-run Guyana Sugar Corporation (GUYSUCO) described the industry's performance as unsatisfactory.

The crop began in the third week of January and was to close at the end of April, but harvesting was extended, GUYSUCO said. "The objective was to maximise production since factory operational problems and very adverse weather conditions of drought and rainfall continued to cause production to lag behind the cumulative weekly estimates," the corporation said. It explained that in addition to factory problems, yields were low because of the lack of timely application of agro chemicals including fertilizers.

Last year the first crop yielded 86,855 tons compared to 106,231 tons in 1981. Total production for 1982 was 285,488 long tons, which represented an increase of 5,488 tons above the revised target of 280,000 tons. The original 1982 target was 310,000 tons but this has been scaled down because of unseasonal rains and low yields. The industry has set itself an overall target for this year of 300,000 long tone. With a shortfall of 14,785 tons on its original target for the first crop, the industry would have to exceed its second or autumn crop to reach. the second crops original estimate was 200,000 tons. The 1982 autumn crop yielded 198,633 tons compared with 179,257 tons in 1981.

PRIME MINISTER OFF TO BRAZIL FOR TALKS

FL231847 Bridgetown CANA in English 1812 GMT 23 May 83

[Text] Paramaribo, Suriname, May 23, CANA -- Suriname's Prime Minister Errol Alibux left here today for a three-day official visit to neighbouring Brazil at the invitation of the Brasilia government, the official Suriname News Agency (SNA) reported. Alibux, whose visit is mainly to explore ways of strengthening relations between Suriane and Brazil, is accompanied by Natural Resources Minister Erik Tjon Kie Sim, Deputy Army Commander Ivan Graanoogst, Lieutenant Cairo, and officials of various government ministries.

SNA, quoting a top official of the Latin American desk in Brazilian Foreign Ministry, said the visit of the Suriname prime minister was of great political significance and must be viewed in the context of the close ties being developed between the two countries. He also said Brazil was open to all forms of cooperation with its Dutch-speaking neighbour, but was especially interested in increasing the flow of trade between the two countries.

Prime Minister Alibu's visit follows one here last month by General Danilo Venturini, a special envoy of Brazilian President Joao Figueiredo. As a result of General Venturini's visit, Brazil agreed to purchase 50,000 tons of Suriname rice this year, an amount that will be increased by 10 per cent annually. During his stay, General Venturini also held discussions with Suriname Government officials on cooperation and exchange between the two countries in economic, political, scientific, technological and military areas.

Since the army seized power in this former Dutch colony in February 1980, several Suriname officials, including military strongman Lieutenant Colonel Desi Bouterse and former foreign ministry Harvey Naarendorp, have paid visits to Brazil.

CUBA, SURINAME SIGN CULTURAL, EDUCATIONAL PACT

FL231153 Bridgetown CANA in English 1850 GMT 22 May 83

[Text] Paramaribo, Suriname, May 22, CANA -- Suriname and Cuba have signed a cultural and educational agreement here for the purpose of strenghtneing relations between the governments and peoples of both countries, the official Suriname News Agency (SNA) reported today. Suriname's Prime Minister Errol Alibux and Cuban Ambassador to Paramaribo Oswaldo Cardenas yesterday signed the agreement on behalf of their respective governments.

Prime Minister Alibux said the agreement was "a reflection of the aspiration in the Caribbean to create a region in which mutual interests are respected as well as the territorial integrity of the countries." He did not elaborate. Ambassador Cardenas said the signing of the accord was an example of growing ties between developing countries struggling for liberation. He noted the importance Cuba attaches to its relations with Suriname.

Alibux also said that in 1980 a serious start had been made to decolonise the Suriname society. This was continuing in solidarity with all peoples struggling for decolonisation, he said. In spite of attempts by "certain forces" to isolate Suriname, a growing number of countries recognise that the process here contributed to stability in the region and to world peace in general, Alibux said.